Infrastructure Canada

Infrastructure Canada

Departmental Performance Report (DPR)

2011–12

The Honourable Denis Lebel, P.C., M.P.

Minister of Transport, Infrastructure and Communities, and Minister of the Economic Development Agency of Canada for the Regions of Quebec

Canada

This publication is available upon request in accessible formats.

Contact:
Communications Directorate
Infrastructure Canada
180 Kent Street, Suite 1100
Ottawa, Ontario K1P 0B6

National information line on infrastructure: 613-948-1148
Telephone toll free: 1-877-250-7154
Email: info@infc.gc.ca

This publication is available online at
http://infrastructure.gc.ca/pub/index-eng.html

Permission to Reproduce
Except as otherwise specifically noted, the information in this publication may be reproduced, in part or in whole and by any means, without charge or further permission from Infrastructure Canada, provided that due diligence is exercised in ensuring the accuracy of the information reproduced; that Infrastructure Canada is identified as the source institution; and that the reproduction is not represented as an official version of the information reproduced, nor as having been made in affiliation with, or with the endorsement of, Infrastructure Canada.

For permission to reproduce the information in this publication for commercial redistribution, please email droitdauteur.copyright@tpsgc-pwgsc.gc.ca.

Aussi offert en français sous le titre *Infrastructure Canada - Rapport ministériel sur le rendement, 2011–2012.*

Table of Contents

MINISTER'S MESSAGE 5

SECTION I: ORGANIZATIONAL OVERVIEW 7

1.1 Raison d'être 7

1.2 Responsibilities 7

1.3 Strategic Outcomes and Program Activity Architecture (PAA) 10

1.4 Organizational Priorities 11

1.5 Risk Analysis 13
1.5.1 Risk Analysis Approach 13
1.5.2 Departmental Risks 13

1.6 Summary of Performance 15
1.6.1 Economic Action Plan Performance Summary 16
1.6.2 Financial and Human Resources 18
1.6.3 Program Activities by Strategic Outcome and Actual Spending 19

1.7 Contribution to the Federal Sustainable Development Strategy 24

1.8 Expenditure Profile 25
1.8.1 Spending Trends 25
1.8.2 Variations in Program Spending Trends 25

1.9 Estimates by Vote 26

SECTION II: ANALYSIS OF PROGRAM ACTIVITIES BY STRATEGIC OUTCOMES 27

2.1 Program Activities and Strategic Outcomes 27

2.2 Strategic Outcome 1 28
2.2.1 Program Activity: Provincial-Territorial Infrastructure Base Fund 29
2.2.2 Program Activity: Gas Tax Fund 32

2.3 Strategic Outcome 2 34
2.3.1 Program Activity: Building Canada Fund-Communities Component 35
2.3.2 Program Activity: Building Canada Fund-Major Infrastructure Component 37
2.3.3 Program Activity: Green Infrastructure Fund 39
2.3.4 Program Activity: Canada Strategic Infrastructure Fund 42
2.3.5 Program Activity: Municipal Rural Infrastructure Fund 44
2.3.6 Program Activity: Border Infrastructure Fund 45
2.3.7 Program Activity: Economic Analysis and Research 47

2.4 Strategic Outcome 3 49
2.4.1 Program Activity: Infrastructure Stimulus Fund 50
2.4.2 Program Activity: Building Canada Fund-Communities Component Top-Up 52
2.4.3 Summary of Program Spending under the Economic Action Plan 54

2.5 Program Activity: Internal Services 55

2.6 Impacts on Financial and Human Resources Resulting from the Establishment of Shared Services Canada 60

SECTION III: SUPPLEMENTARY INFORMATION 61

3.1 Financial Highlights 61

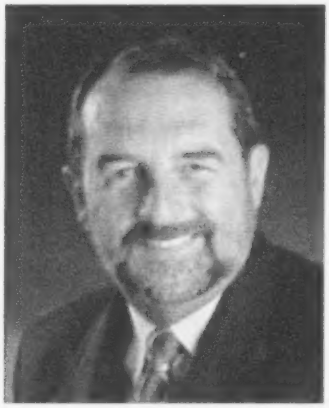
3.2 Financial Statements 61

3.3 Supplementary Information Tables 62
3.3.1 List of Supplementary Information Tables 62

SECTION IV: OTHER ITEMS OF INTEREST 63

4.1 Organizational Contact Information 63

Minister's Message



As Canada's Minister of Transport, Infrastructure and Communities, I am pleased to present Infrastructure Canada's Departmental Performance Report for 2011-12. This department has played an instrumental role in helping the Government of Canada deliver timely and targeted funding that helped to create jobs and boost our economy. As a result, Canadians are enjoying the benefits of a stronger economy, a cleaner environment and more liveable communities.

Across all of its funds, Infrastructure Canada committed approximately $11 billion towards approximately 6,400 infrastructure projects since the launch of Canada's Economic Action Plan. When combined with the contributions of our funding partners, this means over $30 billion is being invested in infrastructure projects across the country. In 2011-12, we celebrated the completion of thousands of projects in communities large and small under the Infrastructure Stimulus Fund and the Building Canada Fund-Communities Component Top-Up programs, providing economic benefits that will last for years.

These stimulus programs complemented our support of projects under the Building Canada plan. Together, these investments mean Canadians are enjoying a wide range of new or improved infrastructure, such as easier and safer transportation of people and goods, improved water and wastewater treatment facilities, and new or expanded community and sports centres. These projects make our communities better places to live, work and play.

During the last fiscal year, we delivered on our commitment to provide stable and predictable funding for municipalities to support local infrastructure priorities. I am pleased to note that Parliament has passed our legislation to make Gas Tax funding permanent at $2 billion per year.

Jobs, economic growth and prosperity remain our Government's top priorities. We are working with provincial and territorial partners, leading experts and the Federation of Canadian Municipalities to develop a long-term infrastructure plan that will extend beyond the expiry of the Building Canada plan in 2014. To that end, roundtable discussions with provincial, territorial and municipal partners, and other key stakeholders are helping us to collectively understand infrastructure issues, priorities and principles.

The new plan will focus on investments that support long-term economic growth, while encouraging greater private sector involvement and public-private partnerships to generate better value for taxpayers, and to ensure affordability and sustainability over the long term. As the Government of Canada develops this new plan, we will continue to deliver significant infrastructure investments through our existing programs. We believe that modern, world-class infrastructure builds our nation for a strong future, and is helping Canada to continue to have one of the world's leading economies.

The Honourable Denis Lebel, P.C., M.P.
Minister of Transport, Infrastructure and Communities
and Minister of the Economic Development Agency of Canada for the Regions of Quebec

Section I: Organizational Overview

1.1 Raison d'être

Strong, modern, world-class public infrastructure is a key factor in achieving the Government of Canada's priorities of a stronger economy, a cleaner environment, and more prosperous, safer communities. Infrastructure Canada leads the Government of Canada's efforts in addressing Canada's public infrastructure challenges.

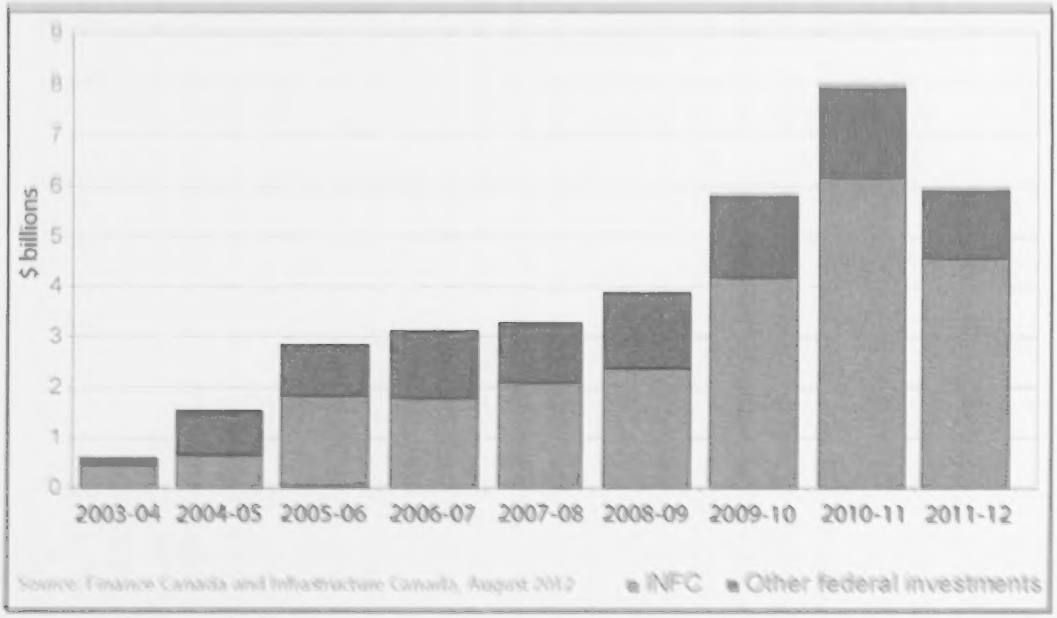
1.2 Responsibilities

I. Overview

Infrastructure Canada is responsible for federal efforts to enhance Canada's public infrastructure through investments in provincial, territorial and municipal assets, engagement in key partnerships and the development and implementation of sound policies. Established in 2002, the Department provides funding support to provincial, territorial and municipal governments to ensure that Canadians benefit from world-class public infrastructure from coast to coast to coast.

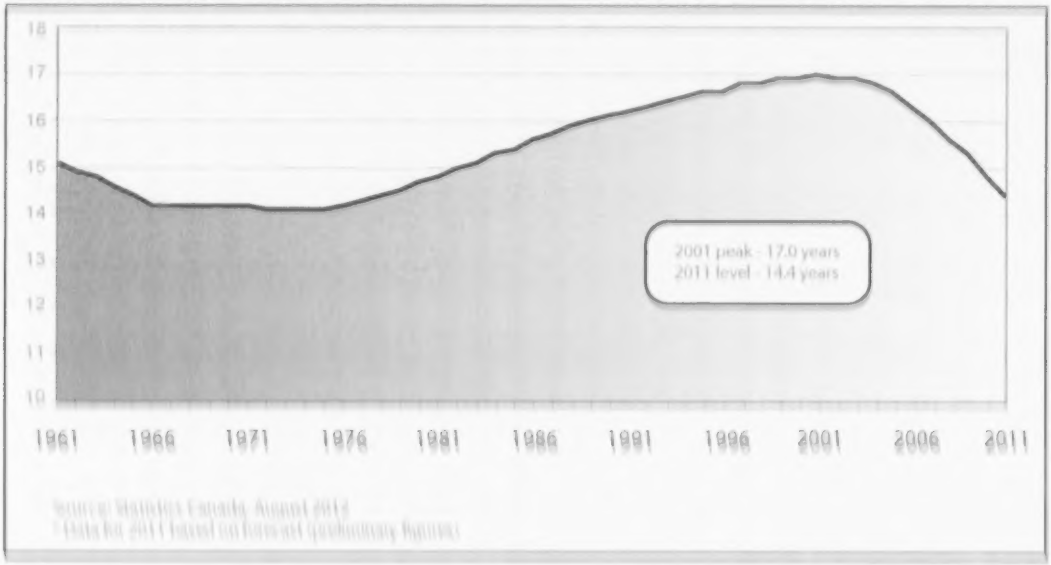
As shown in Figure 1, federal support for provincial, territorial and municipal public infrastructure has increased significantly over the past decade, and Infrastructure Canada has been at the centre of those efforts.

Figure 1: Federal Infrastructure Support for Provincial, Territorial and Municipal Infrastructure



Over the last ten years, the unprecedented level of investment in infrastructure by all levels of government has coincided with rapid reductions in the average age of Canada's core public infrastructure. Infrastructure Canada continues to collaborate and work with its partners to help build on the success of recent investments.

Figure 2: Average Age of Core Public Infrastructure



Source: Statistics Canada, August 2014
* Data for 2011 based on forecast (preliminary figures)

Project Spotlight

Water treatment plant upgrades

Project location: Cornwall, Ontario

Modernizing sewage treatment to protect ground water sources

With the help of $18.5 million in federal funding, the City of Cornwall is upgrading and expanding its water treatment plant to increase capacity and add a secondary treatment process. This will reduce the risk of untreated sewage being discharged into the St. Lawrence River during heavy rainfalls. The project will also help remove Cornwall as an "area of concern" from the Canada-United States *Great Lakes Water Quality Agreement*.

Federal contribution:	$18.5 million under the Green Infrastructure Fund

II. Programs

Infrastructure Canada's funding programs address local and regional infrastructure needs, while advancing national priorities. This, in turn, makes Canada's economy stronger, keeps people and goods on the move, and helps to make our water and air cleaner. The Department delivers funding in various ways:[1]

Base Funding
Funding is directed to provincial, territorial and municipal governments, addressing priorities in every jurisdiction and supporting the restoration of fiscal balance. Through the Provincial-Territorial Infrastructure Base Fund ($2.3 billion announced in Budget 2007), each jurisdiction receives base funding to address their core infrastructure priorities. Through the Gas Tax Fund ($2 billion annually confirmed in Budget 2011), municipalities are provided with predictable funding to address local infrastructure priorities.
Recent Targeted Programs
Sunsetting Programs
Short-term Stimulus Programs
Timely, targeted and temporary funding was focused on improving, renewing and rehabilitating existing infrastructure and on constructing new infrastructure projects to support the Canadian economy during a period of global recession. Through the Infrastructure Stimulus Fund ($4 billion announced in Budget 2009) funding was provided for construction-ready projects. Through the Building Canada Fund Communities Component-Top Up ($500 million announced in Budget 2009), additional investments were directed to smaller communities.

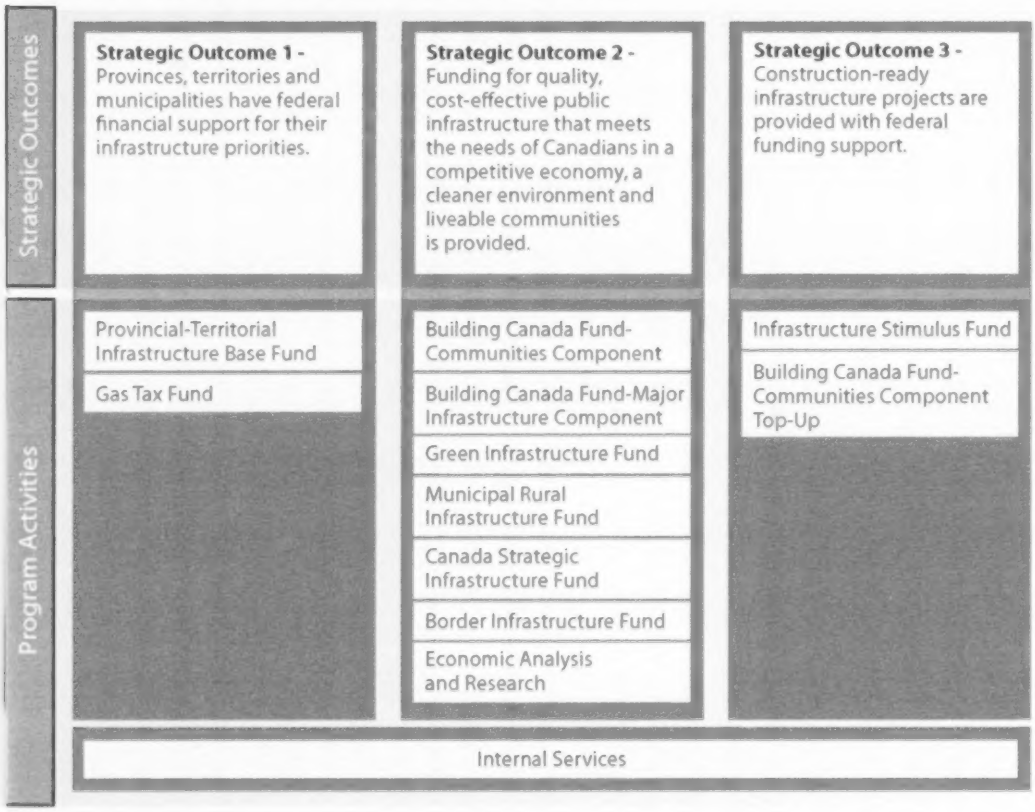
1 Allocations for Transfer Payment Programs included are original allocations and do not reflect transfers out.

1.3 Strategic Outcomes and Program Activity Architecture (PAA)

In 2011-12, Infrastructure Canada's Program Activity Architecture (PAA) structure included three strategic outcomes and 11 active Program Activities (See Figure 3). Section II of this report provides additional detail on each Program Activity, including Internal Services, which supports all other Program Activities.

The Department's strategic outcomes reflect longer term infrastructure investments, including stable and predictable funding programs such as the Gas Tax Fund, as well as targeted programs like the Building Canada Fund. They also highlight short-term, timely and targeted programs like the Economic Action Plan funding that was provided between 2009-10 and 2011-12. Ultimately, all of our program activities result in the construction and enhancement of public infrastructure, contributing to broad federal government objectives of a competitive economy, a cleaner environment and liveable communities.

Figure 3: Program Activity Architecture (PAA)


Strategic Outcomes
Strategic Outcome 1 - Provinces, territories and municipalities have federal financial support for their infrastructure priorities.
Strategic Outcome 2 - Funding for quality, cost-effective public infrastructure that meets the needs of Canadians in a competitive economy, a cleaner environment and liveable communities is provided.
Strategic Outcome 3 - Construction-ready infrastructure projects are provided with federal funding support.
Program Activities
Provincial-Territorial Infrastructure Base Fund
Gas Tax Fund
Building Canada Fund-Communities Component
Building Canada Fund-Major Infrastructure Component
Green Infrastructure Fund
Municipal Rural Infrastructure Fund
Canada Strategic Infrastructure Fund
Border Infrastructure Fund
Economic Analysis and Research
Infrastructure Stimulus Fund
Building Canada Fund-Communities Component Top-Up
Internal Services

Note: The Program Activity entitled Support for the G8 Summit is not included in this graph, nor are details included in Section II of this Report, as this Program Activity was completed in the 2010-11 fiscal year. Spending in 2010-11 is included in Section 1.6.2 for comparative information only.

1.4 Organizational Priorities

Four key organizational priorities guided the Department's work in 2011-12:

- To ensure proper financial oversight and appropriate program close-out for programs falling under the Economic Action Plan (EAP);
- To continue efficient and effective stewardship of the longer term infrastructure programs and projects;
- To implement the results of Infrastructure Canada's 2010 Strategic Review; and
- To support Public Service Renewal and improve People Management.

Summary of Progress Against Priorities

Priority	Type[2]	Strategic Outcome(s) and/or Program Activity(ies)
Ensure proper financial oversight and appropriate program close-out for programs under the Economic Action Plan (EAP).	Previously committed to	• Strategic Outcome 3: Construction-ready infrastructure projects are provided with federal funding support.

Throughout 2011-12, the Department's strong financial management helped to support the successful completion of projects under the two key Economic Action Plan programs: the Infrastructure Stimulus Fund (ISF) and the Building Canada Fund-Communities Component Top-Up (BCF-CC Top-Up).

Over 97 percent of ISF and BCF-CC Top-Up projects were completed by October 31, 2011. The majority of remaining projects are anticipated to be completed shortly by proponents.

The Department's strong financial oversight was recognized by the Office of the Auditor General in its second audit of Canada's Economic Action Plan (Auditor General's Fall 2011 report). The interim Auditor General found that the Department had monitored the progress and spending of ISF projects, and made appropriate adjustments in a number of cases, including implementing the Government of Canada decision to extend the deadline for project completion.

2 Type is defined as follows: **previously committed to**—committed to in the first or second fiscal year prior to the subject year of the report; **ongoing**—committed to at least three fiscal years prior to the subject year of the report; and **new**—newly committed to in the reporting year of the DPR.

Priority	Type	Strategic Outcome(s) and/or Program Activity(ies)
Efficient and effective stewardship of the longer term infrastructure programs and projects.	Ongoing	• Strategic Outcome 1: Provinces, territories and municipalities have federal financial support for their infrastructure priorities. • Strategic Outcome 2: Funding for quality, cost-effective public infrastructure that meets the needs of Canadians in a competitive economy, a cleaner environment and liveable communities is provided.

During 2011-12, the Department continued to effectively manage and implement its longer term programs. With the majority of the funds from these programs already allocated, the departmental focus was on appropriate program management control frameworks, along with documentation, monitoring and reporting strategies. For example, the Department ensured that claims were properly submitted by project partners, and then quickly but thoroughly reviewed and processed these claims for payment.

Infrastructure Canada is continuing its strong performance in monitoring our programs by ensuring that key requirements of the Treasury Board Policy on Internal Audit are met. The Department continues to test the effectiveness of its internal controls through risk-based, ongoing monitoring, and by engaging its Departmental Audit Committee on internal controls of financial reporting assessment work.

The Department continues to strengthen stewardship of programs and projects through Financial Management and Control frameworks, including improved budgeting and forecasting practices, the framework for financial management systems, and high-quality departmental financial statements and quarterly financial reports.

Priority	Type	Strategic Outcome(s) and/or Program Activity(ies)
Implement the results of Infrastructure Canada's 2010 Strategic Review.	New	• Strategic Outcome 1: Provinces, territories and municipalities have federal financial support for their infrastructure priorities. • Strategic Outcome 2: Funding for quality, cost-effective public infrastructure that meets the needs of Canadians in a competitive economy, a cleaner environment and liveable communities is provided.

As part of the 2010 Strategic Review process, Infrastructure Canada systematically reviewed direct program spending and operating costs to find efficiencies and reallocate funds in support of the government's overarching strategic review objective of management excellence and fiscal responsibility.

As a result of its review, Infrastructure Canada identified opportunities to focus on core priorities and deliver its programs and services more efficiently, while continuing to deliver government investments in Canada's public infrastructure.

Savings identified total $124.5 million over a three-year period, ending in 2013-14. Implementation of these reductions began in 2011-12, amounting to $51.8 million during the fiscal year.

Priority	Type	Strategic Outcome(s) and/or Program Activity(ies)
Support Public Service Renewal and improve People Management.	Ongoing	• Strategic Outcome 1: Provinces, territories and municipalities have federal financial support for their infrastructure priorities. • Strategic Outcome 2: Funding for quality, cost-effective public infrastructure that meets the needs of Canadians in a competitive economy, a cleaner environment and liveable communities is provided.

In 2011-12 Infrastructure Canada continued to make progress in addressing the priorities set out in the Public Service Renewal Action Plan. The Department ensured employees were engaged and motivated to excel, and that they received the proper support and development opportunities. In addition, the Department updated its Integrated Business and Human Resources Plan, developing and implementing action plans to meet our Human Resources priorities and challenges.

1.5 Risk Analysis

1.5.1 Risk Analysis Approach

Infrastructure Canada systematically manages a variety of risks as it delivers its funding programs. As risks emerge and change, the Department continues to apply a comprehensive approach to actively identify, assess and manage risks at the strategic, operational, program and project levels. This approach includes regularly identifying internal and external risk factors, and engaging the Department's executives to identify and assess potential key risks and then to develop adequate responses. This information is then captured in the Department's Corporate Risk Profile and semi-annual update reports. Risk management is fully integrated into Infrastructure Canada's decision-making processes, and the lessons learned from these regular risk update exercises are part of the Department's culture at all levels, enhancing program efficiency as well as stewardship.

1.5.2 Departmental Risks

The most recent (Fall 2011) Corporate Risk Profile update demonstrated an overall reduction in departmental risks. The updated profile lists eight risks, down from eleven in 2010. Also, the overall likelihood and potential impact decreased in 2011, due in large part to the winding down of programs under Canada's Economic Action Plan, as well as the Department's strong and integrated risk management practices.

The three key departmental risks identified in the 2011-12 Report on Plans and Priorities followed the same downward trend in terms of their overall significance as a result of the implementation of sound risk responses.

i. Flexibility of Information Management and Information Technology

The Department established a senior executive (Assistant Deputy Minister-level) Investment Planning Committee to oversee Information Management (IM) and Information Technology (IT) project investments. This Committee ensures investments are in line with departmental priorities, and allows the Department to upgrade and maintain legacy systems, and provide IT solutions that are usable, flexible and effective. The Department also strengthened the Shared Information Management System for Infrastructure (SIMSI) governance structure to ensure that IT development continues to meet business and reporting needs. This improved governance structure ensures appropriate and timely funding is directed to support departmental priorities.

ii. Provision of all Economic Action Plan (EAP) Funds Within Established Timeframes

In order to ensure that projects met the deadlines for temporary infrastructure programs (Infrastructure Stimulus Fund and Building Canada Fund-Communities Component Top-Up), Infrastructure Canada implemented a risk-based monitoring strategy. This included regular (quarterly or bi-monthly) reporting, invoice verification, targeted on-site visits and project compliance audits.

In addition, Service Level Agreements with Federal Delivery Partners and Contribution Agreements with proponents clearly established requirements pertaining to project reporting. Together, the Agreements and monitoring strategy allowed for the efficient delivery of infrastructure stimulus funding. At the same time, the Department prudently but quickly processed claims, ensuring costs claimed were eligible for reimbursement, identifying any ineligible costs and, if necessary, withheld payment until further details were provided by proponents.

iii. Adaptability of Human Resources Capacity and Capability

A new challenge in 2011-12 was the need for departmental staff to adapt from providing front-end services and support (e.g. project review, assessment and approval), to supporting the delivery and close-out of the programs under the Economic Action Plan (e.g., the monitoring and processing of claims). To help deal with this challenge, the Department provided several assignment opportunities to employees, giving staff the chance to gain new skills and experience, while allowing the department to reallocate people to priority areas. The Department's talent management strategy also developed employees' skills, leading to increased flexibility to deal with new challenges. Finally, the Department streamlined business processes and more efficiently administered our programs.

1.6 Summary of Performance

During 2011-12, Infrastructure Canada continued to support Canada's economy, working with partners towards completing the delivery of projects under two key Economic Action Plan (EAP) programs: the Infrastructure Stimulus Fund and the Building Canada Fund-Communities Component Top-Up. In the final year of implementing these programs, the Department shifted its efforts from reviewing and approving projects and committing funds, to providing appropriate management, due diligence and oversight as the Department paid claims and closed out successful projects. The Department dedicated significant resources to ensure that all financial claims received from proponents were processed accurately and efficiently and reimbursed quickly.[3]

While a significant focus was on winding down the EAP programs , Infrastructure Canada also continued to work closely with partners across Canada to make key infrastructure investments through longer-term programs, including those under the seven-year Building Canada plan, the Gas Tax Fund (now permanent with an allocation of $2 billion per year) and a number of sunsetting programs. Under the Provincial-Territorial Infrastructure Base Fund, the Department continued to approve projects/initiatives and Capital Plans, and made key investments in nationally and regionally significant projects that benefit all Canadians.

For example, in 2011-12, under the Building Canada Fund-Communities Component (BCF-CC) and the Building Canada Fund-Major Infrastructure Component (BCF-MIC), Infrastructure Canada committed $119 million to new projects, leveraging total investment of more than $308 million. In addition, as of March 31, 2012, eight provinces and territories had fully committed their balance of funds available through the Provincial-Territorial Infrastructure Base Fund. Across Canada, almost 89 percent of the overall $2.3 billion program has been committed.

Overall, 2011-12 was another successful year for the Department, with nearly $4.5 billion in infrastructure funding flowed to our partners.

Section II: Analysis of Program Activities by Strategic Outcomes provides a summary of Infrastructure Canada's performance targets by Program Activity, as set out in the 2011-12 Report on Plans and Priorities. Infrastructure Canada works in partnership with provinces, territories and municipalities in order to meet these annual performance targets. Annual results are affected by the performance of its partners, for example project timelines and forecasted completion and spending are based on project proponent's schedules.

Overall, the Department fully met or exceeded more than half of all performance targets (23 of 40) and significantly met six targets. Detailed information on performance indicators, results achieved, analysis and other information by Program Activity is provided in Section II.

3 In 2012-13, the Department will ensure that file closure for projects and programs under the Economic Action Plan continues, including as necessary project and program audits and evaluations.

1.6.1 Economic Action Plan Performance Summary

LOOKING BACK AT CANADA'S ECONOMIC ACTION PLAN

Reliable public infrastructure support has always been a cornerstone of Canada's economic growth and prosperity. In 2009, when the global economic crisis hit, the Government of Canada moved quickly to increase its investments in infrastructure in order to stimulate the economy and create jobs in the short term while providing lasting benefits to Canadians.

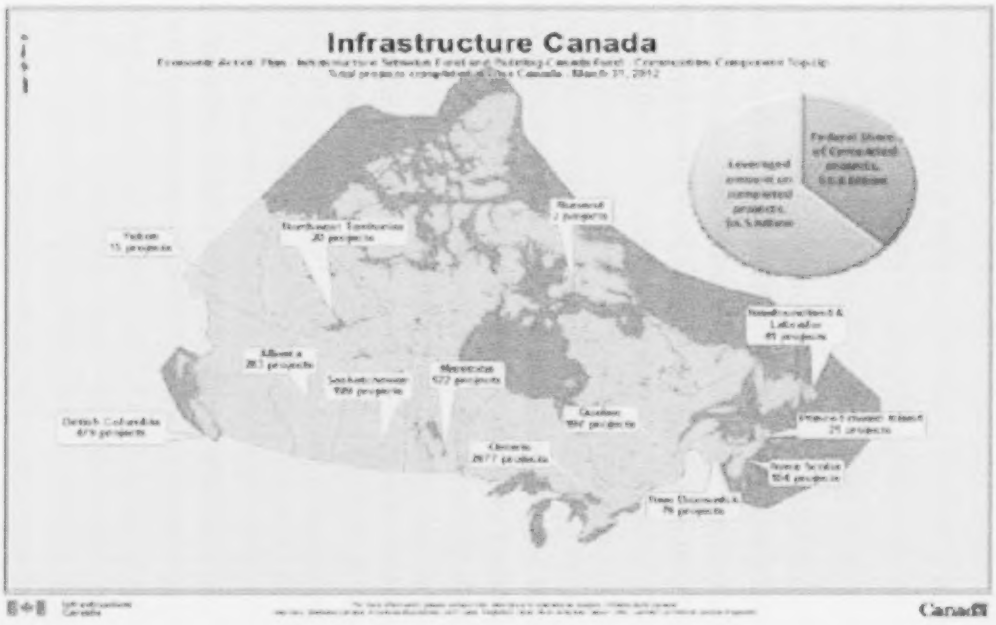
Under the Economic Action Plan (EAP), the Government of Canada worked with key partners to increase cooperation and reduce red tape. Notably, infrastructure funding under existing Building Canada programs was accelerated, project approvals were expedited and new money was provided for "shovel-ready", short-term projects.

Combined, these efforts allowed new and existing infrastructure funding to be rapidly committed to thousands of infrastructure projects across Canada. Much of this funding was prioritized for shovel-ready projects that could generate additional investment from other levels of government. These investments stimulated the economy and supported families and communities when they needed it most.

> In delivering unprecedented, timely and temporary investments in infrastructure, Infrastructure Canada was responsive and responsible. According to a report from the Auditor General of Canada, Infrastructure Canada balanced speed of implementation with effective stewardship of stimulus funding. The broad range of completed projects, from water facilities to green infrastructure to local roads, has given Canadians and communities better public infrastructure, provided local economic opportunities and strengthened the national economy and standard of living in communities, ensuring a legacy of quality infrastructure for future generations.

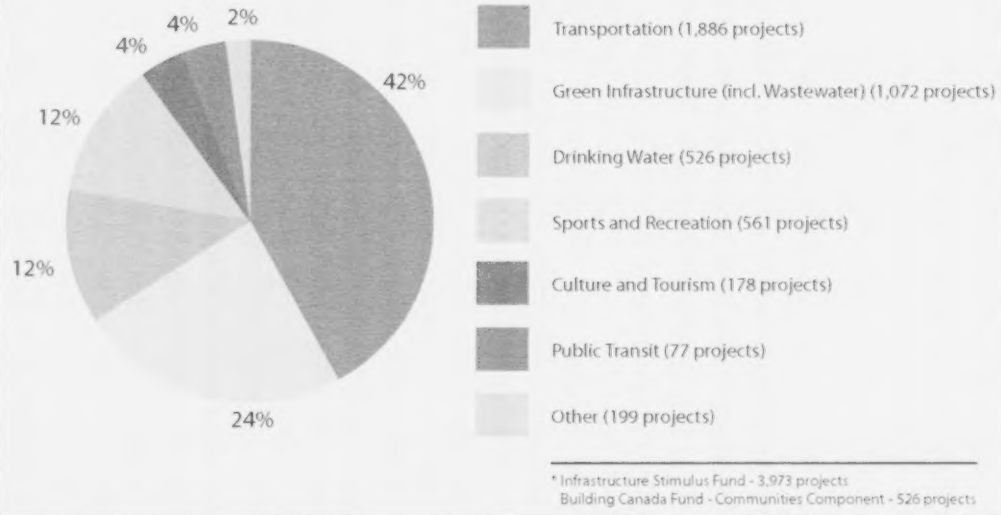
Two Key Infrastructure Funds

The EAP provided a variety of important economic stimulus measures delivered by numerous federal organizations. At Infrastructure Canada the two most prominent initiatives were the new Infrastructure Stimulus Fund and the Building Canada Fund – Communities Component Top-Up. Combined with funding from provinces, territories and municipalities, Infrastructure Canada's EAP programming helped communities quickly build and improve much-needed local infrastructure. Not only were the projects under these programs rolled out quickly and responsibly, almost all were completed within planned timeframes.



These two new stimulus programs not only supported employment and economic activity in all regions of the country, but also contributed to national priorities of a cleaner environment and more liveable communities. Infrastructure Canada delivered short-term funding to modernize a broad range of infrastructure, including roads, bridges, public transit, parks and wastewater and water treatment facilities.

Funding by Major Category*



* Infrastructure Stimulus Fund - 3,973 projects
Building Canada Fund - Communities Component - 526 projects

1.6.2 Financial and Human Resources

Infrastructure Canada's financial and human resources information over the reporting period are summarized in the two tables that follow.

Table 1: 2011-12 Financial Resources (in $ thousands)

Planned Spending	Total Authorities	Actual Spending
4,881,172	6,304,315	4,540,110

Table 2: 2011-12 Human Resources (full-time equivalents [FTE])

Planned	Actual	Difference
330	357	-27

Infrastructure Canada's full-time equivalents (FTEs) are managed flexibly. Employees are reallocated as needed during the year to meet the needs of funding programs, operational requirements, and other government priorities. Operating funding is also allocated to program administration on a similar basis. Infrastructure Canada does not have a regular and ongoing level of funding for departmental operational costs (e.g. salaries, operations and maintenance -- "A-Base"). Instead, funding for Infrastructure Canada's operating requirements has traditionally been sourced and approved from its funding programs. Operational funding fluctuates based on the actual oversight and management necessary for programs.

Project Spotlight

Resolute Bay Water System

Project location: **Resolute Bay, Nunavut**

For more than 30 years, residents of Resolute Bay have relied on heated utility corridors to bring fresh water to their homes and businesses. These "utilidors" also facilitate the removal of wastewater.

With the existing utilidor system reaching the end of its lifespan, the Territory will be putting a portion of its Provincial-Territorial Infrastructure Base Fund allocation towards replacing it.

This will help ensure that residents continue to have fresh water and suitable wastewater removal for years to come. It will also support Nunavut's continued growth and economic stability.

Funding: In total, Nunavut is receiving more than $182 million under the Provincial-Territorial Infrastructure Base Fund.

1.6.3 Program Activities by Strategic Outcome and Actual Spending

The following table summarizes the achieved results of the program activities, the actual spending under each activity, as well as the alignment of these activities to the Government of Canada outcomes. Infrastructure Canada works in partnership with provinces, territories and municipalities in order to meet these annual performance targets. As such, annual results are affected by both the performance of Infrastructure Canada, as well as its provincial, territorial and municipal partners. The Internal Services Program Activity is also presented in this table; the Program Activity supports the entire department in meeting Government of Canada outcomes.

Table 3: Performance Summary (Program Activities by Strategic Outcome)[4]

Strategic Outcome 1: Provinces, territories and municipalities have federal financial support for their infrastructure priorities.		
Performance Indicators	**Targets**	**2011-12 Performance**
Total funds transferred by the federal government to provinces, territories and municipalities for their infrastructure priorities.[5]	Flow 100% of all planned spending under Strategic Outcome 1 in FY2011-12.	Result: 102% Under the Provincial-Territorial Infrastructure Base Fund and Gas Tax Fund, the Government of Canada flows funds to jurisdictions following receipt and federal acceptance of Expenditure Reports and/or Capital Plans. In 2011-12, the Department flowed $2.39 billion under the two funds (over 102% of planned spending) to provinces, territories and municipalities.[6] Together, since the inception of the funds, approximately $8.7 billion under the Gas Tax Fund and more than $1.6 billion under the Provincial-Territorial Infrastructure Base Fund has provided stable and predictable funding to support the construction of provincial/territorial and municipal infrastructure.

(in $ thousands)

Program Activity	**2010-11 Actual Spending**	**2011-12**				**Alignment to Government of Canada Outcomes**
		Main Estimates	**Planned Spending**	**Total Authorities**	**Actual Spending**	
Provincial-Territorial Infrastructure Base Fund	437,548	347,375	347,375	391,125	188,695	Strong Economic Growth
Gas Tax Fund	1,752,697	1,975,952	1,975,952	2,329,381	2,206,246	Strong Economic Growth
Sub-Total:	**2,190,245**	**2,323,327**	**2,323,327**	**2,720,506**	**2,394,942**	

4 Totals may not add due to rounding.

5 Federal financial support to provinces, territories and municipalities for their infrastructure priorities provided from the Provincial Territorial Infrastructure Base Fund and Gas Tax Fund.

6 The Department provided its annual Gas Tax allocations to partners, and also distributed $231.4 million of previously withheld funding to three jurisdictions.

Strategic Outcome 2: Funding for quality, cost-effective public infrastructure that meets the needs of Canadians in a competitive economy, a cleaner environment and liveable communities is provided.		
Performance Indicators	**Targets**	**2011-12 Performance**
Total funding provided to partners for targeted and strategic public infrastructure projects.[7]	Flow 100% of all planned spending under Strategic Outcome 2 in FY2011-12. *Longer Term:* Transfer $8.5 billion in federal funding to project recipients from 2009-10 to 2012-13.	Result: 52% Through the seven program activities under this Strategic Outcome, Infrastructure Canada spent $1.32 billion, providing funding for provincial infrastructure and important local infrastructure for cities and communities across the country. Actual Spending in 2011-12 was lower than planned. This is the result of a number of factors including lower than anticipated project costs, projects cancelled by proponents, and project delays resulting from inclement weather, technical and other construction-related complexities that caused numerous construction delays. In addition, many of the programs under this Strategic Outcome provide significant funding for large, complex projects. It is typical for these projects to require a significant amount of upfront planning, design and procurement. These processes may occur, in whole or in part, after funding commitments are announced. As a result, there is often a period of time that will pass between project announcements and when construction starts. It is also noted that actual spending lags behind the actual rate of construction of projects since recipients are reimbursed only once claims are submitted, even though eligible costs may have already been incurred.
Partner contributions expressed as percentage of federal funding committed.	100%	Result: 233% Since the inception of all programs, more than $30.1 billion has been leveraged from federal funding committed ($12.9 billion) for projects under BCF-CC, BCF-MIC, GIF, CSIF, MRIF and BIF.

7 Federal financial support to partners for targeted and strategic public infrastructure projects provided from the Building Canada Fund – Communities Component and Major Infrastructure Component, Green Infrastructure Fund, Canada Strategic Infrastructure Fund, Municipal Rural Infrastructure Fund and Border Infrastructure Fund.

(in $ thousands)						
Program Activity	2010-11 Actual Spending	2011-12				Alignment to Government of Canada Outcomes
		Main Estimates	Planned Spending	Total Authorities	Actual Spending	
Building Canada Fund-Communities Component	225,825	323,391	323,391	300,850	213,884	Strong Economic Growth
Building Canada Fund-Major Infrastructure Component	407,499	1,270,430	1,270,430	1,225,232	759,828	Strong Economic Growth
Green Infrastructure Fund	35,430	431,084	431,084	390,712	30,274	Clean and Healthy Environment
Canada Strategic Infrastructure Fund	336,451	378,791	378,791	480,998	188,382	Strong Economic Growth
Municipal Rural Infrastructure Fund	146,646	47,226	47,226	128,348	88,043	Strong Economic Growth
Border Infrastructure Fund	67,881	51,738	51,738	44,355	35,042	Strong Economic Growth
Economic Analysis and Research	1,750	10,817	10,817	1,956	3,143	Innovative and Knowledge-Based Economy
Sub-Total:	**1,221,482**	**2,513,477**	**2,513,477**	**2,572,450**	**1,318,595**	

Strategic Outcome 3: Construction-ready infrastructure projects are provided with federal funding support.		
Performance Indicators	**Targets**	**2011-12 Performance**
Total amount of eligible costs incurred for construction-ready public infrastructure projects.	95% of eligible costs incurred by October 31, 2011.	Result: 97% 98% by March 31, 2012
Percentage of projects under the Economic Action Plan that are substantially completed by the end of program, out of total number of projects approved.	95% of approved EAP projects are substantially completed.	Result: 97% 4,452 Economic Action Plan projects were substantially completed within program timelines, representing over 97% of the planned target. 98% - 4,499 Economic Action Plan projects were substantially completed by March 31, 2012.
Funding leveraged from partners, as a percentage of federal funding, for construction-ready public infrastructure projects.	100% over the life of EAP programs (2009-10 to 2011-12).	ISF Result: 150% (approximately $6 billion leveraged) BCF-CC Top-Up Result: 215% ($1 billion leveraged) Throughout the year, the Government of Canada remained committed to timely completion of stimulus projects, while preparing to return to a balanced budget. Through the ISF and BCF-CC Top-Up, the Government provided more than $4 billion of federal funding, leveraging approximately $7 billion in infrastructure investment from partners.

(in $ thousands)						
Program Activity	2010-11 Actual Spending	2011-12				Alignment to Government of Canada Outcomes
		Main Estimates	Planned Spending[8]	Total Authorities[9]	Actual Spending	
Infrastructure Stimulus Fund	2,482,489	2,400	2,400	803,140	634,927	Strong Economic Growth
Building Canada Fund-Communities Component Top-Up	303,739	0	0	163,000	136,122	Strong Economic Growth
Support for the G8 Summit (2010)[10]	4,571	0	0	0	0	Strong Economic Growth
Sub-Total:	**2,790,799**	**2,400**	**2,400**	**966,140**	**771,049**	

Internal Services: Underpins and supports the entire Department in meeting Government of Canada outcomes.						
(in $ thousands)						
Program Activity	2010-11 Actual Spending	2011-12				
		Main Estimates	Planned Spending	Total Authorities*	Actual Spending	
Internal Services	49,265	41,969	41,969	45,219	55,525	
Sub-Total:	**49,265**	**41,969**	**41,969**	**45,219**	**55,525**	

Total Actual Spending:	**6,251,791**	**4,881,172**	**4,881,172**	**6,304,315**	**4,540,110**	

* Excludes amount appropriated to Shared Services Canada

8 There was no Planned Spending in 2011-12 for the Building Canada Fund-Communities Component Top-Up as the program was originally scheduled to be completed on March 31, 2011. The $2.4 million in Planned Spending under the Infrastructure Stimulus Fund as cited in the Report on Plans and Priorities represented Operating Costs only. In December 2010 the Government announced that these two stimulus programs would be extended until October 31, 2011 to allow for project completions.

9 As a result of the deadline extension to October 31, 2011 for projects funded by these two programs under the Economic Action Plan, funding was obtained through 2011-12 Supplementary Estimates.

10 While there was no financial activity for Support for the G8 Summit in 2011-12, it is included in this report for comparative purposes related to spending in previous years.

1.7 Contribution to the Federal Sustainable Development Strategy

The Federal Sustainable Development Strategy (FSDS) outlines the Government of Canada's commitment to improve the transparency of environmental decision-making. The strategy outlines key strategic environmental goals and targets, and ensures that they are considered in decision-making.

Although Infrastructure Canada is not one of the 27 departments required to table a Departmental Sustainable Development Strategy or to report on its contribution to the FSDS, it continues to play an important role in helping create a more sustainable future.

The Department's broad range of infrastructure programs supports thousands of projects across Canada that contribute to a cleaner environment in areas such as drinking water, wastewater, clean energy, public transit and brownfield redevelopment. Many of these infrastructure investments directly support two of the FSDS Themes:

1. Maintaining Water Quality and Availability
2. Addressing Climate Change and Air Quality

Beyond providing funding through federal infrastructure funding programs, Infrastructure Canada's measures support The FSDS's Theme 4, *Shrinking the Environmental Footprint – Beginning with Government*. The Department continues to implement its recent Greening Action Plan, which includes measures in green procurement, waste and energy reductions, and awareness and promotion. More details on our green procurement initiatives can be found in the Supplementary Information Tables on Greening Government Operations, on Infrastructure Canada's website at: http://www.infrastructure.gc.ca/pub/index-eng.html.

Strategic Environmental Assessment (SEA)

The *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals*[11] states that an SEA is required when the implementation of a proposal submitted to an individual Minister or Cabinet for approval may result in important environmental effects, either positive or negative. To ensure that the Cabinet Directive is being met, the Department undertakes a preliminary scan to identify the potential for important environmental effects when preparing a Memorandum to Cabinet and for other policy, plan and program initiatives, as appropriate. Should the potential for significant environmental impacts be identified and/or there is a high level of uncertainty or risk associated with the proposal, a Strategic Environmental Assessment is carried out. In 2011-12, no important environmental effects, either positive or negative were identified through any of the preliminary scans completed. As a result, no Strategic Environmental Assessments were required.

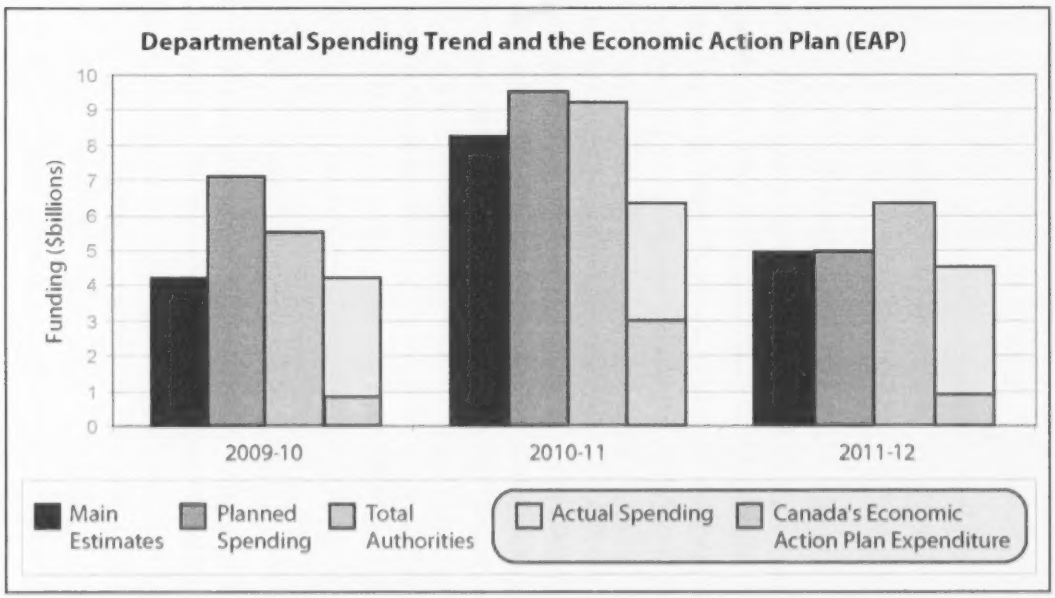
11 Detailed information on the *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals* can be found on the Canadian Environmental Assessment Agency's website at: http://www.ceaa.gc.ca/default.asp?lang=En&n=B3186435-1.

1.8 Expenditure Profile

1.8.1 Spending Trends

In 2011-12, Infrastructure Canada spent $4.5 billion on infrastructure investments under its programs to meet the expected results of its Program Activities and contribute to its Strategic Outcomes.

Figure 4 represents the Department's planned and actual spending profile from 2009-10 to 2011-12. Spending related to the Economic Action Plan (EAP) started in 2009-10 and continued until 2011-12 (with exception of the Green Infrastructure Fund, which currently extends to 2013-14).



Investment in strong, modern, world-class public infrastructure is a key element in achieving the Government of Canada's priorities of a stronger economy, a cleaner environment and more liveable communities. In 2011-12, the Department's $4.5 billion in spending supported the construction of public infrastructure, strengthening the economy in many sectors and regions across the country.

1.8.2 Variations in Program Spending Trends

In 2011-12, the Department focussed on the closing out of two of its key programs under the EAP: the Infrastructure Stimulus Fund and the Building Canada Fund-Communities Component Top-Up. At the same time, the Department continued to implement its longer term programs under the Building Canada plan.

1.9 Estimates by Vote

For information on Infrastructure Canada's Votes and/or statutory expenditures, please see the 2011-12 Public Accounts of Canada (Volume II) publication. An electronic version of the Public Accounts is available on the Public Works and Government Services Canada website at: http://www.tpsgc-pwgsc.gc.ca/recgen/txt/index-eng.html.

Section II: Analysis of Program Activities by Strategic Outcomes

2.1 Program Activities and Strategic Outcomes

Infrastructure Canada's Program Activity Architecture (PAA) has three Strategic Outcomes (SO) and 11 program activities in support of its mandate. The information presented in this section is organized according to Infrastructure Canada's PAA structure:

1) ***Provinces, territories and municipalities have federal financial support for their infrastructure priorities.***
   Program Activities:
   - Provincial-Territorial Infrastructure Base Fund
   - Gas Tax Fund

2) ***Funding for quality, cost-effective public infrastructure that meets the needs of Canadians in a competitive economy, a cleaner environment and liveable communities is provided.***
   Program Activities:
   - Building Canada Fund-Major Infrastructure Component
   - Building Canada Fund-Communities Component
   - Canada Strategic Infrastructure Fund
   - Green Infrastructure Fund
   - Municipal Rural Infrastructure Fund
   - Border Infrastructure Fund
   - Economic Analysis and Research

3) ***Construction-ready infrastructure projects are provided with federal funding support.***
   Program Activities:
   - Infrastructure Stimulus Fund
   - Building Canada Fund-Communities Component Top-Up

2.2 Strategic Outcome 1

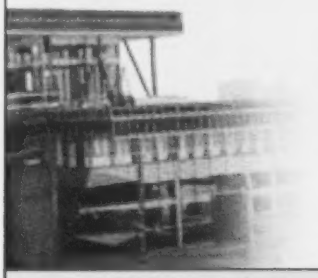
> Provinces, territories and municipalities have federal financial support for their infrastructure priorities.

Under Strategic Outcome 1, the Gas Tax Fund (GTF) and the Provincial-Territorial Infrastructure Base Fund (PT Base) continue to provide stable, predictable funding for jurisdictions and offer them significant flexibility in funding their core infrastructure priorities.

Project Spotlight

Dartmouth Bridge Terminal

Project location: **Dartmouth, Nova Scotia**



Bus terminal expanded to serve growing ridership

Through Canada's Gas Tax Fund, Nova Scotia communities receive almost $56 million annually to support local infrastructure priorities. The Halifax Regional Municipality used its Gas Tax Fund allocation to improve Metro Transit's Bridge Terminal in Dartmouth. The old terminal was too small to accommodate the growing region's transit needs, where ridership tops 20,000 passengers each weekday. The new terminal includes 16 bus bays, a fully enclosed and climate-controlled passenger waiting area, and public washrooms.

Federal contribution:	$5.3 million under the Gas Tax Fund.

Lessons Learned

Infrastructure Canada oversees the GTF through a program governance structure which includes federal-provincial-territorial management committees as well as internal multi-level committees. This approach has established the effective, efficient and consistent application of program policies and implementation across the country. Annual workshops provide the opportunity for Infrastructure Canada and GTF signatories to share program-related information, challenges, lessons learned and best practices. In addition to these discussions, the most recent workshop in March 2012 centered on moving towards program permanency.

The annual expenditure reports provided by recipients continue to demonstrate the effectiveness of the GTF in addressing the ongoing infrastructure needs of Canada's cities and communities, a benefit accruing from program design. The Department is continuing to work with partners to develop a streamlined data management system to strengthen the integrity of information and better account for the funds allocated to more than 3,600 municipalities over the past seven years.

An internal audit completed in June 2011 confirmed that the PT Base program's management control framework is adequate and effective. The audit noted examples of good management practices around accountability and risk management. This includes the documentation and communication of roles and responsibilities, eligible investment categories, as well as a risk management approach that is aligned to the design of the program. The audit also included references from stakeholders, which indicated support for this delivery model, highlighting the reduced reporting burden while maintaining an emphasis on compliance over the funding lifecycle.

Overall, these programs have demonstrated their ability to deliver results that support provincial-territorial-municipal priorities while at same time ensuring sound management.

2.2.1 Program Activity: Provincial-Territorial Infrastructure Base Fund

Predictable Funding for Provinces and Territories

Program Activity Description:

This program activity provides $175 million in base funding to each province and territory for core infrastructure priorities, balancing the Building Canada Fund's per capita allocations. Capital Plans outline infrastructure initiatives that support priorities in a given jurisdiction within the scope of eligible federal investment categories, including the construction or rehabilitation of infrastructure in most of the project categories eligible under the Building Canada Fund (BCF), including secondary provincial highway infrastructure. While payments are made to provinces and territories, ultimate recipients can also include local and regional governments or private sector bodies. The Fund provides a high degree of flexibility to provinces and territories. Payments are made in advance and provinces and territories may pool, bank, or cash-manage these funds in a manner that will afford them greater flexibility in implementing their Capital Plans. The Provincial-Territorial Infrastructure Base Fund was designed to help restore the fiscal balance while enhancing Canada's public infrastructure system, promoting enhanced competitiveness and productivity of the economy, cleaner air, water and land, and stronger and healthier communities. Federal funding, on a Capital Plan basis, is up to 50 percent in provinces and 75 percent in territories to maximize investment by all orders of government. All provinces and territories benefit from this investment in modern public infrastructure, particularly jurisdictions with smaller populations.

2011-12 Financial Resources (in $ thousands)

Planned Spending	Total Authorities	Actual Spending
347,375	391,125	188,695[12]

2011-12 Human Resources (full-time equivalents [FTE])

Planned	Actual	Difference
2	2	0

Program Activity Expected Results	Performance Indicators	Targets	Actual Results
Recipient organizations have access to predictable funding from the Provincial-Territorial Infrastructure Base Fund to build and improve Infrastructure.	Actual spending in the last fiscal year as a result of agreements with partners.	Flow all 2011-12 planned spending to program recipients in accordance with program authorities.	$188.7 million (54% of planned spending)
Collaborative partnerships between the federal government and provinces exist as part of the Provincial-Territorial Infrastructure Base Fund so that recipients have access to funds.	Number of agreements signed.	Manage agreements with all 13 provinces and territories to accelerate programs.	13
Infrastructure Canada's funding and negotiations leverage investments in infrastructure by other partners, so that investments in infrastructure are made.	Amount of funding leveraged.	Number of dollars leveraged from other partners meets minimum program requirements in provinces (50% federal share)* and territories (75% federal share)**, to maximize infrastructure investments.	*Provinces:* 61.7% ($2.4 billion) *Territories:* 33% ($270.7 million)

* Implies 50% partner share
** Implies 25% partner share

12 Actual spending in fiscal year 2011-12 reflects that fewer Expenditure Reports were submitted and federally accepted than planned.

Performance Summary and Analysis of Program Activity

Since most provinces and territories chose to accelerate all or part of their PT Base funding in 2009-10 and 2010-11 as part of the Economic Action Plan, there was limited funding remaining to be committed in 2011-12. In this context, fewer Capital Plans were approved in 2011-12 than in the two previous years.

Overall, three new Capital Plans and two amended plans were approved during the year, committing another $179 million in federal funding to 30 new initiatives and leveraging almost $173 million in funding from other partners, including provinces, territories and municipalities. Also, an additional jurisdiction opted to fully commit the balance of its PT Base funds.

The Fund has committed $2.05 billion in federal investments as of March 31, 2012, representing almost 89 percent of the entire $2.3 billion PT Base allocation. An additional $2.68 billion in funding was leveraged from provincial and territorial partners.

As the Department signed the only remaining funding agreement in late 2010-11, the objective of concluding agreements with all jurisdictions is now achieved and the program is being fully implemented nationwide.

The Government of Canada flows funding to the jurisdictions once provinces and territories submit (and the federal Minister accepts) Capital Plans and/or Expenditure Reports. Lower than anticipated actual spending in 2011-12 reflected the fact that fewer Capital Plans and Expenditure Reports were submitted and accepted than planned. In some cases, final payments under the program were not made, pending submission of final reports from jurisdictions demonstrating that all of their PT Base initiatives have been completed. Delays in program implementation in one jurisdiction also delayed a payment.

2.2.2 Program Activity: Gas Tax Fund

Stable, Predictable and Long-Term Funding for Municipalities

Program Activity Description:

This program activity provides municipalities with predictable long-term funding coupled with local decision-making to enable them to build and rehabilitate their core public infrastructure. Under this program activity, Canada has entered into Gas Tax Fund Agreements with provinces, territories, the Association of Municipalities of Ontario, the Union of British Columbia Municipalities and the City of Toronto. These agreements establish an accountability framework allowing Canada to flow Gas Tax Fund monies twice a year to signatories which in turn, flow funds to municipal recipients based on an agreed upon allocation formula. For their part, municipal recipients decide which projects to prioritize within established investment categories that contribute to shared national outcomes of cleaner air, cleaner water and reduced greenhouse gas emissions, and increase community capacities to undertake long-term planning. Municipalities can pool, bank and borrow against this funding, providing significant additional financial flexibility. Eligible recipients are required to report annually on their use of funds and their compliance to terms and conditions of the federal-provincial Gas Tax Fund Agreements. Budget 2007 added $8 billion in new funding and extended the Gas Tax Fund from 2010 to 2014, doubling it to $2 billion per year. Budget 2008 announced that the government will make it ongoing.

2011-12 Financial Resources (in $ thousands)

Planned Spending	Total Authorities	Actual Spending
1,975,952	2,329,381	2,206,246

2011-12 Human Resources (FTE)

Planned	Actual	Difference
15	12	3

Program Activity Expected Results	Performance Indicators	Targets	Actual Results
Recipient organizations have access to stable and predictable funding to build and improve municipal infrastructure.	Amount of federal funding flowed to provinces and territories in 2011-12.	$2 billion	$2.2 billion
	Amount of Gas Tax funding spent by municipalities in 2010-11 on infrastructure.*	$1.4 billion	$985.6 million
	Total amount of Gas Tax funding spent contributing to building municipal infrastructure.**	$5.3 billion	$4.8 billion

* The performance indicator as cited in the 2011-12 RPP showed the "amount spent by municipalities in 2010-11 on infrastructure" and has been revised for clarity.
** The performance indicator as cited in the 2011-12 RPP showed the "total value of municipal infrastructure built in 2010-11" and has been revised for clarity.

Performance Summary and Analysis of Program Activity

During 2011-12, Infrastructure Canada provided provinces, territories and municipalities with stable and predictable Gas Tax funding. This funding continued to help build and improve public infrastructure that contributes to cleaner air, cleaner water and reduced greenhouse gas emissions. On December 15, 2011, funding for the Gas Tax Fund (GTF) was made permanent, allowing municipalities to better plan for long-term investments in local infrastructure, supporting jobs and economic growth.

Throughout the year, Infrastructure Canada worked closely with provinces and territories to resolve outstanding issues with annual expenditure reports. The Department also continued to establish and enhance controls to effectively manage the program, and ensure recipient compliance with existing GTF requirements. The Department provided its annual Gas Tax allocations to partners, and also distributed $231.4 million of previously withheld funding to three jurisdictions (after receiving acceptable outstanding Annual Expenditure Reports). This brought the total amount of 2011-12 funding to more than $2.2 billion, exceeding the performance target.

Since inception in 2005, funding under this program has resulted in new and improved public transit, water, wastewater, solid waste, local roads and bridges, community energy systems and community capacity.

2.3 Strategic Outcome 2

> Funding for quality, cost-effective public infrastructure that meets the needs of Canadians in a competitive economy, a cleaner environment and liveable communities is provided.

This Strategic Outcome reflects the Department's longer term infrastructure programs, including targeted programs like the Green Infrastructure Fund and the Building Canada Fund. The Department provides funding to partners for both large- and small-scale projects as well as those with national and regional benefits, and funding is leveraged from partners and invested in the construction, renewal and enhancement of infrastructure in communities across the nation.

Project Spotlight

Edmonton Ring Road

Project location: **Edmonton, Alberta**

New ring road reinforcing Edmonton's economy

A federal investment of over $85 million is helping to fund the construction of a new ring road around Edmonton, a main service hub for northern development. The project includes 47 bridges, eight interchanges and 27 kilometres of six- and eight-lane roadway. Parts of the new ring road are now open to traffic, improving driver safety and congestion in the downtown core, and providing transport vehicles with a more efficient way to get to locations throughout the city. The balance of the construction on this massive undertaking is on schedule to be completed by 2016.

Federal contribution:	More than $85 million under the Building Canada Fund-Major Infrastructure Component.

Lessons Learned

Strategic Outcome 2 includes funding for large, complex projects, as well as smaller community projects. It is typical for large-scale infrastructure projects to require a substantial amount of upfront planning, design and procurement. These processes may occur, in whole or in part, after funding commitments are announced. As a result, there is often a time lapse between project announcements and when construction starts and when claims are submitted for reimbursement.

This issue was in part addressed through new streamlined processes for project selection in some of the key programs under this Strategic Outcome. While continuing to identify and mitigate risks to the federal government, the new processes allow for the acceleration of project reviews. This helps to ensure that Government of Canada funding approval processes are not an impediment to project proponents being able to finalize their planning and design and beginning procurement more quickly. This being said, project delays can occur after the project selection and approval process has been completed.

In order to better predict project timelines and to reduce the associated administrative burden, the Department is implementing risk-based approaches to the oversight of projects. A revised monitoring approach for large-scale projects has been implemented to review progress of remaining projects and ensure they are completed within scheduled timelines. Trend analysis of historical spending patterns is also being used to increase the accuracy of annual financial forecasts.

Programs under Strategic Outcome 2 provide funding for infrastructure projects across the country. In the case of smaller-scale projects, the Department has generally administered programs through a highly decentralized delivery model. In order to ensure the effective and consistent application of policies in all jurisdictions, multi-level program governance structures have been put in place with our key partners, including other federal departments as well as provinces and territories.

2.3.1 Program Activity: Building Canada Fund-Communities Component

Supporting the Infrastructure Needs of Smaller Communities

Program Activity Description:

The Communities Component of the Building Canada Fund program activity provides funding to address the unique infrastructure pressures facing smaller communities, focusing on project investments in communities with populations of less than 100,000. Working in partnership with federal delivery partners and recipients, program funding supports the construction, renewal and enhancement of basic infrastructure priorities such as potable water, wastewater treatment, local roads and other infrastructure needs of small communities. The fund levers additional contributions from other partners by generally providing federal funding of up to one-third of eligible costs. The Building Canada Fund focuses on projects that deliver economic, environmental and social benefits to all Canadians. Priority funding categories for the fund are the core national highway system routes, drinking water, wastewater, public transit and green energy. Other eligible investment priority areas include environmental projects (solid waste management), projects that support economic growth and development (short-line rail and short-sea shipping, connectivity and broadband, tourism, and regional and local

airports), as well as projects that contribute to the ongoing development of safe and strong communities (disaster mitigation, culture, sport, local roads and bridges, and brownfield re-development). Funding is used to support public infrastructure owned by provincial, territorial and municipal governments and entities, as well as private industry.[13]

2011-12 Financial Resources (in $ thousands)

Planned Spending	Total Authorities	Actual Spending
323,391	300,850	213,884[14]

2011-12 Human Resources (FTE)

Planned	Actual	Difference
15	14	1

Program Activity Expected Results	Performance Indicators	Targets	Actual Results
Federal funding is provided and funding is leveraged from partners and invested in the construction, renewal and enhancement of infrastructure in communities of less than 100,000 residents.	Funding leveraged from partners as a percentage of federal funding.	200%	205%
	Number of projects to start during the period.	40	38
	Value of projects to start during the period.	$72.4 million	$96.3 million
Infrastructure is constructed, renewed and enhanced in communities of less than 100,000 residents.	Number of approved projects completed.	174	137
	Value of approved projects completed.	$600 million*	$502.1 million

* The target as cited in the 2011-12 RPP showed the value of $200 million (federal share) and has been corrected to $600 million to reflect the total eligible cost of projects completed, including the leveraged amount from partners.

13 As a result of the 2010 Strategic Review, Infrastructure Canada is saving $5.4 million on administration by delivering the BCF-CC more efficiently. These funds are being reallocated within the Fiscal Framework and made available for other Government of Canada priorities. The funding for projects remains unchanged.

14 Actual Spending in 2011-12 was lower than planned. This is the result of a number of factors including lower than anticipated project costs, projects cancelled by proponents, and project delays resulting from inclement weather, technical and other construction-related complexities that caused numerous construction delays. It is also noted that actual spending lags behind the actual rate of construction of projects since recipients are only reimbursed once claims are submitted, even though eligible expenditures may have already been incurred.

Performance Summary and Analysis of Program Activity

During 2011-12:

- 137 approved projects valued at $502.1 million were completed
- 38 approved projects worth $96.3 million began construction
- 467 projects worth more than $2.3 billion are still underway

In addition, as a result of available funding from cost savings and projects cancelled by proponents Infrastructure Canada committed $16.1 million in federal funds to 29 new projects, leveraging an additional $34 million in infrastructure investment. Since the inception of the program in 2007, more than $1 billion of federal funding has been committed generating an additional $2.1 billion (more than doubling committed federal funding) in infrastructure investment. Infrastructure Canada continues to support 14 projects in Quebec funded through the Large Urban Centres Component of the Building Canada Fund through a federal allocation of $200 million. The largest categories of investments are wastewater infrastructure, water infrastructure and local road infrastructure.

2.3.2 Program Activity: Building Canada Fund-Major Infrastructure Component

Supporting Nationally and Regionally Significant Projects

Program Activity Description:

The Major Infrastructure Component of the Building Canada Fund program activity targets larger, strategic infrastructure projects both at the national and regional level. It increases overall investment in public infrastructure and contributes to broad federal objectives of economic growth, a cleaner environment and strong and prosperous communities. The objective is to target two-thirds of the funding to national priorities of water, wastewater, public transit, the core national highway system and green energy. The Major Infrastructure Component has 12 additional eligible categories of investment, and priority projects are identified through discussions with provinces. By providing up to 50 percent federal funding on a cost-shared basis, it levers additional contributions from partners to promote increased investment in strategic infrastructure. Eligible recipients include provinces, local or regional governments, public sector bodies, non-profit organizations and private companies. Projects identified as a priority must be supported by a business case reviewed against key program criteria. Once a project review is completed and a project is approved, funds are delivered through contribution agreements with eligible recipients to reimburse costs incurred. Projects under this program activity contribute to the construction, renewal and/or enhancement of public infrastructure. As part of the Economic Action Plan, the government made a commitment to accelerate funding under the Building Canada plan, and as such, the Department streamlined

the federal evaluation and approval of projects under the Building Canada Fund-Major Infrastructure Component, simplifying and developing a more efficient review process to help projects get started sooner.[15]

2011-12 Financial Resources (in $ thousands)

Planned Spending	Total Authorities	Actual Spending
1,270,430	1,225,232	759,828[16]

2011-12 Human Resources (FTEs)

Planned	Actual	Difference
30	32	-2

Program Activity Expected Results	Performance Indicators	Targets	Actual Results
Recipient organizations have access to Building Canada Fund-Major Infrastructure Component funding to build or improve infrastructure.	Number of projects completed/underway.	150*	140
	Value of projects completed/underway.	$21 billion*	$17.4 billion
Infrastructure Canada's funding through the Building Canada Fund-Major Infrastructure Component leverages investments in infrastructure by other partners.	Funding leveraged from partners as a percentage of federal funding.	100%	229%
Funding is directed towards the five national priorities of water, wastewater, core national highway, public transit and green energy infrastructure.	Federal funding committed towards the five national infrastructure priorities as a percentage of all federal funding under the Building Canada Fund-Major Infrastructure Component.	67%	79%

* Cumulative number/value of projects under the program, up to and including March 31, 2012.

15 As a result of the 2010 Strategic Review, Infrastructure Canada is saving $4.9 million on administration by delivering the BCF-MIC more efficiently. These funds are being reallocated within from the Fiscal Framework and made available for other Government of Canada priorities. The funding for projects remains unchanged.

16 Actual Spending in 2011-12 was lower than planned. This program provides significant funding for large, complex projects. It is typical for these projects to require a significant amount of upfront planning, design and procurement. These processes may occur, in whole or in part, after funding commitments are announced. As a result, there is often a period of time that will pass between project announcements and when construction starts. It is also noted that actual spending lags behind the actual rate of construction of projects since recipients are reimbursed only once claims are submitted, even though eligible costs may have already been incurred.

Performance Summary and Analysis of Program Activity

During 2011-12, 18 major projects worth approximately $566 million in total eligible costs were completed and 24 major projects with total eligible costs of $1.32 billion started construction. In addition, the Department committed more than $103 million to new projects worth over $377 million during the fiscal year. Program funding is almost completely committed in six of the ten provinces (90 percent to 100 percent committed), and at least 70 percent of every province's allocation is committed.

Overall, the Department has committed approximately $5.61 billion in funding to 147 projects. Including investments by partners, these projects have a value of approximately $18.42 billion in total eligible costs. These infrastructure projects, small and large, improve the quality of life in communities, enhancing the safety and efficiency of road and transit networks, and strengthening the economies in communities across the nation.

2.3.3 Program Activity: Green Infrastructure Fund

Investing in Environmental Infrastructure

Program Activity Description:

This program activity provides funding for public infrastructure projects that promote cleaner air, reduced greenhouse gas emissions, and cleaner land and water. Project categories include wastewater infrastructure, green energy generation infrastructure, green energy transmission infrastructure, solid waste infrastructure and carbon transmission and storage infrastructure. The objective of the Green Infrastructure Fund (GIF) is to improve the quality of the environment and to support a more sustainable economy over the long-term. The GIF provides up to 50 percent of eligible project costs to promote increased investment in infrastructure, in support of a more sustainable economy. Funding is provided on a cost-shared basis to provinces, territories, local or regional governments, public sector bodies, other eligible non-profit organizations and private sector companies, either alone or in partnership with a province, territory or a government body. Projects are assessed against criteria such as eligibility, leveraging financial investments and project benefits.

2011-12 Financial Resources (in $ thousands)

Planned Spending	Total Authorities	Actual Spending
431,084	390,712	30,274[17]

2011-12 Human Resources (FTEs)

Planned	Actual	Difference
15	12	3

Program Activity Expected Results	Performance Indicators	Targets	Actual Results
Recipient organizations (target groups) of the Green Infrastructure Fund have access to funds to build or improve infrastructure.	Number of projects completed/ underway.	18*	11
	Value of projects completed/ underway.	$1.91 billion*	$963 million
	Amount of federal funding committed on projects.	$626.97 million	$617.1 million
Infrastructure Canada's funding and negotiations leverage investments by other partners in infrastructure.	Funding leveraged from partners as a percentage of federal funding.	100%	178%

* Cumulative number/value of projects to be completed/underway under the program, up to and including March 31, 2012. In 2011-12, the City of Saint John, New Brunswick, informed the Department that they would no longer be proceeding with their announced district energy project. This brings the total to 17 announced projects under the program.

Performance Summary and Analysis of Program Activity

In 2011-12, Infrastructure Canada focussed on project approvals and the negotiation of funding agreements. By March 31, 2012, a total of eleven projects were underway, with total eligible costs valued at more than $963 million. The combined federal contribution to these projects is $373 million, including investments by partners of approximately $590 million.

Overall, more than $617 million has been committed to 17 announced projects. Including investments by partners, these projects have a value of more than $1.7 billion in total eligible costs.

17 Actual Spending in 2011-12 was lower than planned. This program provides significant funding for large, complex projects. It is typical for these projects to require a significant amount of upfront planning, design and procurement. These processes may occur, in whole or in part, after funding commitments are announced. As a result, there is often a period of time that will pass between project announcements and when construction starts. It is also noted that actual spending lags behind the actual rate of construction of projects since recipients are reimbursed only once claims are submitted, even though eligible costs may have already been incurred.

In keeping with the Government of Canada's commitment to address priority initiatives within the current Fiscal Framework, the Government of Canada has made a policy decision to transfer $169.98 million from the GIF to other federal departments to support high-priority initiatives. These reallocations are being considered by Parliament through a combination of Main Estimates and Supplementary Estimates as the funding is required.[18] The proposed transfers, and amounts that have been approved by Parliament, including those approved in the 2012-13 Main Estimates, are as follows:

Natural Resources Canada

Transfer Out – Forestry Industry Transformation Program	**$100 million**
• Approved by Parliament – prior to 2012-13	$50 million
• 2012-13 Main Estimates	$25 million
• Balance to be transferred out in a future Estimates process	$25 million

Economic Development Agency of Canada for the Regions of Quebec

Transfer Out – Temporary Initiative for the Strengthening of Quebec's Forest Economies	**$30 million**
• Approved by Parliament – prior to 2012-13	$15 million
• 2012-13 Main Estimates	$15 million
Transfer Out – Natural Gas Pipeline between Vallée Jonction and Thetford Mines	**$18.15 million**
• 2012-13 Main Estimates	$14.50 million
• Balance to be transferred out in a future Estimates process	$ 3.65 million

Aboriginal Affairs and Northern Development Canada

Transfer Out – Beaufort Regional Environmental Assessment	**$21.83 million**[19]
• Approved by Parliament – prior to 2012-13	$5.45 million
• 2012-13 Main Estimates	$7.34 million
• Balance to be transferred out in a future Estimates process	$9.04 million

In addition, $45 million in unallocated funds from the GIF was removed from departmental reference levels, as part of the 2010 Strategic Review process, and made available for other Government of Canada priorities. This was approved in Budget 2011, and will be included in future Estimates processes, subject to Parliamentary approval.

18 Detailed information on the proposed transfers and amounts approved by Parliament as of March 31, 2012 can also be found in the 2011-12 departmental Supplementary Information Tables.

19 To date, $13.12 million has actually been reallocated from Infrastructure Canada, $12.79 million of which has been approved by Parliament, and $0.33 million which is currently within the Fiscal Framework and which will be approved as part of the $9.04 million identified in respect of future Estimates processes.

As well, in the 2012-13 Main Estimates, $58.7 million was approved and reallocated from the GIF as a source of funds for the operating requirements of the Department. No approved projects have been cancelled or otherwise affected as a result of these reallocations.

Infrastructure Canada will continue to work closely with provinces and territories to identify priorities for the remaining funds from the proposals that have already been submitted.

2.3.4 Program Activity: Canada Strategic Infrastructure Fund

Supporting Large-Scale Projects

Program Activity Description:

This program activity provides funding to support large-scale projects in areas that are vital to sustaining economic growth and enhancing the quality of life of Canadians. It supports infrastructure projects in the categories of highways and railways, local transportation, tourism or urban development, water or sewage and broadband (telecommunications connectivity). Investments are made in cooperation with the provinces, territories, municipalities and the private sector to support the construction, renewal and/or enhancement of public infrastructure to build infrastructure capacity in partnership with recipients. The Canada Strategic Infrastructure Fund (CSIF) levers additional contributions from other partners by providing up to 50 percent of funded costs for eligible projects. The CSIF benefits Canadians by promoting the safer and faster movement of people and goods on Canada's transportation systems, reduced greenhouse gas emissions and pollutants, increased economic activity and innovative technologies.[20]

20 Of the $4.3 billion originally allocated to the CSIF, approximately $50 million has been transferred to Parks Canada Agency to support a high priority infrastructure project. These funds were reallocated through Main Estimates prior to 2012-13. In addition, in 2011-12, funding under the Canada Strategic Infrastructure Fund was extended until 2016-17 for certain projects.

2011-12 Financial Resources (in $ thousands)

Planned Spending	Total Authorities	Actual Spending
378,791	480,998	188,382[21]

2011-12 Human Resources (FTEs)

Planned	Actual	Difference
6	7	-1

Program Activity Expected Results	Performance Indicators	Targets	Actual Results
Federal funding is provided and funding is leveraged from partners and invested in the construction, renewal and enhancement of public infrastructure that contributes to economic prosperity at both regional and national levels.	Funding leveraged from partners as a percentage of federal funding.	100%	188%
Public infrastructure is constructed, renewed and enhanced.	Number of approved projects completed.	49*	43
	Value of approved projects completed.	$9.7 billion*	$6.2 billion

* Cumulative number/value of projects to be completed under the program, up to and including March 31, 2012. The target as cited in the 2011-12 RPP showed 51 projects and has been corrected to 49 projects to reflect the amalgamation of Manitoba Floodway Phase I, II and III into a single project.

Performance Summary and Analysis of Program Activity

During 2011-12, with the help of its Federal Delivery Partners, the Department continued to monitor the progress of projects. Four projects worth $253.3 million were completed by project proponents during the period. This is fewer than the forecasted amount with delays caused by inclement weather and technical and other construction-related issues.

Since the inception of the program, Infrastructure Canada has committed more than $4.4 billion in federal funding to 75 projects, generating about $8.4 billion in investment from funding partners. The largest categories of investments in terms of the number of funded projects are highway/rail infrastructure, urban development and water/sewage treatment infrastructure. So far, 43 projects have been completed under the program, improving infrastructure across the country.

21 Actual Spending in 2011-12 was lower than planned. This is the result of a number of factors including lower than anticipated project costs and project delays resulting from inclement weather, technical and other construction-related complexities that caused numerous construction delays. It is also noted that actual spending lags behind the actual rate of construction of projects since recipients are only reimbursed once claims are submitted, even though eligible expenditures may have already been incurred.

2.3.5 Program Activity: Municipal Rural Infrastructure Fund

Supporting Smaller-Scale Municipal Projects

Program Activity Description:

This program activity provides funding for smaller-scale municipal infrastructure projects designed to promote and improve quality of life in both urban and rural communities. At least 80 percent of funding under the Municipal Rural Infrastructure Fund (MRIF) has been dedicated to municipalities with a population of less than 250,000. Eligible project categories under this fund include water and wastewater treatment, and cultural and recreation projects for smaller communities. In May 2007, the Government of Canada announced an additional $200 million for the initial $1 billion program. For most projects, the MRIF provides up to one-third federal funding for eligible projects, thereby promoting increased infrastructure investments. Projects funded under this program activity contribute to the construction, renewal and/or enhancement of public infrastructure, improving and increasing the stock of core public infrastructure. The program aims to promote sustainable economic growth, innovation and healthy communities.[22]

2011-12 Financial Resources (in $ thousands)

Planned Spending	Total Authorities	Actual Spending
47,226	128,348	88,043

2011-12 Human Resources (FTEs)

Planned	Actual	Difference
6	4	2

Program Activity Expected Results	Performance Indicators	Targets	Actual Results
Federal funding is provided and funding is leveraged from partners and invested in the construction, renewal and enhancement of public infrastructure projects in both urban and rural communities.	Funding leveraged from partners as a percentage of federal funding.	200%*	253%
Public infrastructure is constructed, renewed and enhanced.	Number of approved projects completed.	1,669**	1,617
	Value of approved projects completed.	$3.5 billion**	$2.5 billion

* The target as cited in the 2011-12 RPP showed 100% and has been corrected to reflect the cost-sharing provisions under the MRIF.
** Cumulative number/value of projects to be completed under the program, up to and including March 31, 2012.

22 Under the 2010 Strategic Review process, $23 million in unallocated funds from the MRIF were reallocated to other Government priorities. These funds were removed from departmental reference levels through the 2011-12 Supplementary Estimates. No projects have been cancelled or otherwise affected as result of this reallocation.

Performance Summary and Analysis of Program Activity

During 2011-12, with the help of its Federal Delivery Partners, the Department continued to monitor the progress of projects, with 67 projects valued at $220 million completed during the period. This brings the total number of completed projects to 1,617, with a total value of $2.5 billion. Improved forecasting and better coordination between Infrastructure Canada and Federal Delivery Partners have helped the Department meet its planned targets for project completions.

Since the inception of the program, Infrastructure Canada has committed more than $991 million in federal funding to 1,938 projects generating an additional $2.5 billion in investments from funding partners. The largest categories of investments in terms of the number funded projects are municipal capacity building and water infrastructure.

2.3.6 Program Activity: Border Infrastructure Fund

Improving Canada's Border Crossings

Program Activity Description:

This program activity provides funding for investments in physical infrastructure capacity and intelligent transportation systems at surface border crossings between Canada and the United States, as well as several other crossing points in Canada. These investments help to reduce congestion and support the implementation of the Smart Borders Action Plan, and to enhance safety and security at border crossings. The Border Infrastructure Fund (BIF) is critical to Canada's growing economic and trade relationship with the United States. Announced in 2001, the Fund provides up to 50 percent of funding for eligible project costs. Projects under this program activity are carried out in partnership with funding recipients and include the construction, renewal and/or enhancement of public infrastructure to enhance border surface capacity. The BIF benefits Canadians by reducing border crossing times for trucks and cars travelling between Canada and the United States, and more efficient movement of goods, thereby contributing to increased trade and production, increased safety and security and improved Canada-United States relations.[23]

23 Of the $600 million originally allocated to the BIF, approximately $18 million has been transferred to Canada Border Services Agency for border improvements. These funds were reallocated through Main Estimates prior to 2012-13.

Under the 2010 Strategic Review process, $10.4 million in unallocated funds from the Border Infrastructure Fund were identified for reallocation to other Government priorities. Prior to 2012-13, $5.2 million of the funding identified in the 2010 Strategic Review was removed from departmental reference levels through the 2011-12 Supplementary Estimates and an additional $5.2 million was removed as approved in the 2012-13 Main Estimates. No projects have been cancelled or otherwise affected as result of this reallocation. In addition, in 2011-12, funding under the Border Infrastructure Fund was extended until 2015-16 for certain projects.

While an additional $50 million in funding to support the G8 Summit (2010) was appropriated by Parliament through the Border Infrastructure Fund, it was reported separately through the 2010-11 Departmental Performance Report since no original Border Infrastructure funding was used for G8 Summit-related projects.

2011-12 Financial Resources (in $ thousands)

Planned Spending	Total Authorities	Actual Spending
51,738	44,355	35,042

2011-12 Human Resources (FTEs)

Planned	Actual	Difference
1	1	0

Program Activity Expected Results	Performance Indicators	Targets	Actual Results
Federal funding is provided and funding is leveraged from partners and invested in the enhancement of infrastructure at Canada-United States border crossing points.	Funding leveraged from partners as a percentage of federal funding.	100%	133%
Public infrastructure at Canada-United States border crossing points is constructed, renewed and enhanced.	Number of approved projects completed.	8*	8
	Value of approved projects completed.	$1.1 billion*	$317.1 million

* Cumulative number/value of projects to be completed under the program, up to and including March 31, 2012.

Performance Summary and Analysis of Program Activity

As of March 31, 2012, eight projects under the BIF have been completed, representing 100 percent of the planned target. The total value of projects completed by project proponents was lower than the target as a large project encountered delays and was not completed by year end as forecast. Typically, project delays occur as a result of inclement weather, technical, and other construction-related complexities that cause numerous construction delays. In addition, actual spending lags behind the actual rate of construction of projects since recipients are only reimbursed once claims are submitted, even though eligible expenditures may have already been incurred.

Since the inception of the program, the federal government has announced support for 13 border improvement infrastructure projects, generating $1.2 billion in infrastructure investment from its partners.

2.3.7 Program Activity: Economic Analysis and Research

Supporting Delivery and Management of Infrastructure Programs

Program Activity Description:

This program activity helps to ensure that Canada's infrastructure investment priorities and activities include the building, connecting and sharing of applied knowledge and research on infrastructure issues, projects and programs. It targets key gaps in infrastructure knowledge and information, promotes the development of an enhanced evidence base for sound decision making at all levels of government, and contributes to improved measurement of the impacts of infrastructure policy and investment decisions. This program activity supports strategic research capacity and knowledge generation and applications at the national level, as well as cooperation with other levels of government in addressing their unique research and capacity-building needs. It levers research resources and expertise across various levels of government and stakeholder groups to address the infrastructure challenges and proposed solutions for Canada's economy, environment and community.[24]

2011-12 Financial Resources (in $ thousands)

Planned Spending	Total Authorities	Actual Spending
10,817	1,956	3,143

2011-12 Human Resources (FTEs)

Planned	Actual	Difference
17	28	-11

Program Activity Expected Results	Performance Indicators	Targets	Actual Results
Leveraging of research resources across various levels of government and stakeholders so that knowledge on infrastructure improves.	Funding leveraged from partners as a percentage of federal funding.	Programs under this program activity have not yet been launched. Therefore, no target has been set.	N/A

24 Under the 2010 Strategic Review process, more than $35.7 million in unallocated funds from Economic Analysis and Research was identified for reallocation to other Government priorities. Prior to 2012-13, $20.2 million was removed from departmental reference levels through Supplementary Estimates. An additional $4.5 million was removed through the 2012-13 Main Estimates with the balance expected to be removed in the 2013-14 Main Estimates. All transfers are subject to Parliamentary approval.

Performance Summary and Analysis of Program Activity

In Budget 2011, and reiterated in Budget 2012, the Government of Canada committed to work with provinces, territories, Canada's municipal sector, and stakeholders to develop a long-term plan for public infrastructure that extends beyond the expiry of the Building Canada plan in 2014. Given the importance of this commitment and the timelines to engage on the issue, a significant increase was needed in the amount of financial and human resources allocated for this program activity.

As the lead department on the development of a long-term infrastructure plan, in 2011-12 Infrastructure Canada began engaging provinces, territories, the Federation of Canadian Municipalities and other stakeholders to inform the plan's development. Funds were spent under the Economic Analysis and Research program activity to support the long-term plan engagement process that was launched on November 30, 2011. This inclusive process has been managed in three overlapping phases.

Phases 1 and 2 are about reviewing the accomplishments and benefits of past infrastructure investments and building the knowledge to support the development of the new long-term plan. Under Phase 1, Infrastructure Canada officials worked with partners and stakeholders to demonstrate how joint infrastructure investments have supported a stronger economy, a cleaner environment and prosperous communities. As part of Phase 2, Infrastructure Canada has been working with partners and stakeholders, leading experts, and academics to build the technical knowledge that will inform and guide the development of the plan. A large part of this work is focused on the themes of the economy, environment, stronger communities, infrastructure financing, and planning and sustainability.

The efforts under the first two phases of the engagement process laid the foundation for discussions with provinces and territories, as well as other partners and stakeholders at the ministerial and official's levels, undertaken in the first half of fiscal year 2012-13.

In 2011-12, Infrastructure Canada did not fund any feasibility studies under the Feasibility and Planning Studies program.

2.4 Strategic Outcome 3

Construction-ready infrastructure projects are provided with federal funding.

The development and implementation of the Infrastructure Stimulus Fund (ISF) and the Building Canada Fund-Communities Component Top-Up were key contributions towards Canada's Economic Action Plan (EAP). By delivering timely, targeted and temporary funding for construction-ready projects across the country, these funds provided stimulus to the Canadian economy when it was needed most.

Project Spotlight

Extension of Méthot Avenue

Project location: **Plessisville, Québec**

Easier access to industrial park encourages growth

The City of Plessisville's industrial park needed a second access point. With more than 100 heavy trucks travelling through the park daily, the single access road had caused congestion and safety issues. To fix this problem, Méthot Avenue was extended by 400 metres on the northern side of the park. New water and sewer mains were also installed to accommodate fourteen new industrial lots. This project, made possible by more than $500,000 in federal funding improves safety and will support commercial growth in the community.

Federal contribution:	More than $500 thousand under the Building Canada Fund-Communities Component Top-Up.

Lessons Learned

The successful implementation of programming under Strategic Outcome 3 has provided valuable lessons in how to deliver a program targeted at stimulating the economy under tight timelines. While a formal program evaluation of EAP programs is underway, preliminary lessons learned include:

- streamlined application and environmental assessment processes supported rapid project approval, with key responsibilities of partners defined in Contribution Agreements;
- implementation of a risk-based monitoring strategy that included quarterly or bi-monthly reporting, invoice verification, targeted on-site visits and project compliance audits assured strong program management;
- implementation of a process to quickly and carefully process claims, ensuring only eligible costs were reimbursed proved effective; and

- flow of federal funding was slower than planned due to delays in receiving claims from proponents (however, amounts paid tend to lag the economic impact of fiscal stimulus since payments are typically made when claims are received, after work has occurred and eligible costs incurred).

In its second audit of Canada's Economic Action Plan (2011 Fall Report of the Auditor General), the interim Auditor General found that Infrastructure Canada had monitored the progress and spending of ISF projects and made appropriate adjustments in a number of cases, including extending deadlines for project completion. In addition, the Office of the Auditor General acknowledged that the fund "largely achieved the Economic Action Plan objective to spend federal funding, in a timely manner."

2.4.1 Program Activity: Infrastructure Stimulus Fund

Stimulating the Economy in Tough Times

Program Activity Description:

This program activity is intended to accelerate and increase the number of provincial, territorial and municipal infrastructure projects, as well as infrastructure projects submitted by not-for-profit and for-profit entities. It focuses on the rehabilitation of existing assets and new infrastructure projects that can be materially completed by March 31, 2011.[25] Categories include water, wastewater, public transit, solid waste management, highways, roads, culture, community centers and services, temporary shelter infrastructure, parks and trails, rail and port infrastructure. As part of the Economic Action Plan, the Infrastructure Stimulus Fund helps to provide timely, targeted and short-term stimulus to the Canadian economy by increasing the total amount of construction activity in Canada during 2008-09, 2009-10 and 2010-11 through the funding of projects, and by leveraging funding of other levels of government and the private sector. The Infrastructure Stimulus Fund is designed as a broad and flexible program to include both new infrastructure and rehabilitation of existing assets. By providing up to 50 percent federal funding to projects that can be materially completed by March 2011, the Fund levers funding from other partners.[26]

25 In December 2010, the Government announced that the Infrastructure Stimulus Fund would be extended until October 31, 2011, to allow for the completion of projects.

26 Of the $4 billion originally allocated to the ISF, close to $200 million has been transferred to federal entities such as Parks Canada and the National Capital Commission to support high priority initiatives. These funds were reallocated through Estimates processes prior to 2011-12.

2011-12 Financial Resources (in $ thousands)

Planned Spending[27]	Total Authorities	Actual Spending
2,400	803,140	634,927

2011-12 Human Resources (FTEs)

Planned	Actual	Difference
24	33	-9

Program Activity Expected Results	Performance Indicators	Targets	Actual Results
Construction-ready infrastructure projects are provided with timely and temporary federal funding support by the Infrastructure Stimulus Fund in order to contribute to government-wide objectives of the Economic Action Plan (EAP).	Amount of eligible costs incurred.	95% of eligible costs incurred by October 31, 2011	97%
	Percentage of projects that are substantially completed by the end of program, out of total number of projects approved.	95% of approved EAP projects are substantially completed	98%
Expedited federal funding is provided and funding is leveraged from partners and invested in the short-term construction, renewal and enhancement of infrastructure.	Funding leveraged from partners as a percentage of federal funding.	100%	150%

Performance Summary and Analysis of Program Activity

During 2011-12 Infrastructure Canada worked closely with provincial, territorial, municipal, and other partners as they worked towards the completion of the final 1,277 projects, representing $1.9 billion of federal commitments with an additional $3.4 billion in infrastructure investments leveraged from our partners. This brings the total number of substantially completed projects to 3,973 with a federal share of more than $3.4 billion by March 31, 2012.

By extending the deadline for an additional construction season, the Canadian economy benefitted from stimulus funding without additional government spending beyond the original commitments. To ensure fairness, all projects were eligible to apply for an extension, and those projects that met the criteria were allowed to be completed by the extended deadline with federal support. Throughout the year, the Government of Canada remained committed to timely completion of stimulus projects, while preparing to return to a balanced budget. Through the Infrastructure Stimulus Fund, the Government, generated close to $6 billion in infrastructure investments from non-federal partners, for an overall total $10 billion infrastructure investment.

27 The $2.4 million in Planned Spending represents operating costs only as the program was scheduled to be completed on March 31, 2011. As a result of the deadline extension, funding was obtained through 2011-12 Supplementary Estimates, as reflected in Total Authorities.

2.4.2 Program Activity: Building Canada Fund-Communities Component Top-Up

Supporting the Infrastructure Needs of Smaller Communities

Program Activity Description:

This program activity provides additional funding in the amount of $500 million (added to the Building Canada Fund-Communities Component program activity funding) to fund additional infrastructure projects in communities with populations of less than 100,000. The additional top-up funds were initiated given the economic recession and followed Budget 2009 (Economic Action Plan) and the government's decision to accelerate infrastructure funding and provide short-term economic stimulus. As part of the Economic Action Plan, the Top-Up to the Building Canada Fund-Communities Component provided an additional $500 million to be spent in the 2009-10 to 2010-11 fiscal years, in jurisdictions that have fully committed all of their regular Communities Component of the Building Canada Fund. The funds are to be allocated to projects that can be materially completed by March 31, 2011.[28] Projects are selected through the same process as the Building Canada Fund-Communities Component program activity.[29]

2011-12 Financial Resources (in $ thousands)

Planned Spending[30]	Total Authorities	Actual Spending
0	163,000	136,122

2011-12 Human Resources (FTEs)

Planned	Actual	Difference
0	2	-2

28 In December 2010, the Government announced that the Building Canada Fund-Communities Component Top-Up would be extended until October 31, 2011 to allow for the completion of projects.

29 In order to access funding under the Building Canada Fund-Communities Component Top-Up, jurisdictions were first required to commit all available funding under regular Building Canada Fund-Communities Component allocations.

30 There was no Planned Spending in 2011-12 as the program was scheduled to be completed on March 31, 2011. As a result of the deadline extension to October 31, 2011 for projects under the Economic Action Plan, funding was obtained through 2011-12 Supplementary Estimates, as reflected in Total Authorities.

Program Activity Expected Results	Performance Indicators	Targets	Actual Results
Construction-ready infrastructure projects are provided with timely and temporary federal funding support by the Building Canada Fund-Communities Component Top-Up in order to contribute to government-wide objectives of the Economic Action Plan (EAP).	Amount of eligible costs incurred.	95% of eligible costs incurred by October 31, 2011	95%
	Percentage of projects that are substantially completed by the end of program, out of total number of projects approved.	95% of approved EAP projects are substantially completed	97%
Funding leveraged from partners, as a percentage of federal funding, for the construction, renewal and enhancement of infrastructure in communities of less than 100,000 residents.	Funding leveraged from partners as a percentage of federal funding.	200%	215%

Performance Summary and Analysis of Program Activity

During 2011-12, Infrastructure Canada worked closely with Federal Delivery Partners and provinces as project proponents completed the final 261 projects. These projects represented $337.9 million of federal commitments, and leveraged an additional $735.8 million in infrastructure investments from partners.

By extending the deadline for an additional construction season, the Canadian economy benefitted from stimulus funding without additional government spending beyond the original commitments. Proponents that met the criteria for an extension were allowed to complete projects by the extended deadline with federal support. Throughout the year, the Government of Canada remained committed to timely completion of stimulus projects, while preparing to return to a balanced budget. Overall, 526 projects were completed, with a federal investments of $446.9 million, and close to $1 billion in additional investments from partners by March 31, 2012.

2.4.3 Summary of Program Spending under the Economic Action Plan

In order to provide additional flexibility to partners – provinces, territories and municipalities – a one-time extension of the completion deadline, from March 31, 2011 to October 31, 2011, was announced for projects under the Infrastructure Stimulus Fund and the Building Canada Fund Communities Component Top-Up. In 2011-12, the Department continued to work with partners to complete projects, and to begin the winding down of these programs. In total, over 97 percent (4,569) of approved Economic Action Plan projects were completed by March 31, 2012. Projects under these stimulus programs were completed within the federally approved funding limits, and in some instances came in under budget. As a result of the extension, more than $801 million in stimulus spending was incurred by the Department in 2011-12.

2009-10 thru 2011-12 Financial Resources Final Summary for Programs under the Economic Action Plan (in $ thousands)

Economic Action Plan (EAP) Programs	2009-10 EAP Spending	2010-11 EAP Spending	2011-12 EAP Spending[31]	Total EAP Spending[32] (2009-10 to 2011-12)
Infrastructure Stimulus Fund	493,129	2,482,489	634,927	3,610,545
Building Canada Fund-Communities Component Top-Up	30,745	303,739	136,122	470,606
Green Infrastructure Fund	5,760	35,430	30,274[33]	71,464
National Recreational Trails Fund	25,100[34]	-	-	25,100
Provincial-Territorial Infrastructure Base Fund	179,383	158,109	-	337,492
Total EAP Spending	**734,117**	**2,979,767**	**801,323**	**4,515,207**

31 These amounts reflect the seven month extension to the deadline for completing infrastructure projects under the following two programs: ISF and the BCF-CC Top-Up. In addition to launching new infrastructure stimulus initiatives, the Government took steps to accelerate funding under Building Canada initiatives that were announced in Budget 2007. The extension did not apply to these initiatives.

32 The EAP Spending amounts in 2009-10 to 2011-12 include both Statutory and Voted Spending (Contributions and Operating).

33 Spending related to the infrastructure funds announced under the Economic Action Plan started in 2009-10 and continued until 2011-12, with the exception of the Green Infrastructure Fund which extends beyond 2011-12.

34 There was no funding allocation for the National Recreational Trails in the 2010-11 Main Estimates, Planned Spending, Total Authorities and Actual Spending, as the program activity was completed in 2009-10.

2.5 Program Activity: Internal Services

Program Activity Description:

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are: Management and Oversight (Risk Management, Internal Audit and Evaluation) Services, Communications Services and Legal Services, Human Resources Management Services, Financial Management Services, Information Management Services, Information Technology Services, Real Property Services, Material Services, Acquisition Services, and Travel and Other Administrative Services. Internal Services include only those activities and resources that apply across an organization and not to those provided specifically to a program.

2011-12 Financial Resources (in $ thousands)

Planned Spending	Total Authorities	Actual Spending
41,969	45,219	55,525[35]

2011-12 Human Resources (FTEs)

Planned	Actual	Difference
199	210	-11

Program Activity Results Achieved

Internal Audit:

During 2011-12, the Department:

- Provided, based on the approved departmental Audit Plan, various assurance, advisory and consulting services to support senior management in reaching departmental objectives – with a particular emphasis on claims processing and close-out procedures of EAP programs, along with testing of controls in corporate areas. *(For a full list of engagements, please refer to the Supplementary Information Tables on Infrastructure Canada's web-site at:* http://www.infrastructure.gc.ca/pub/index-eng.html);
- Enhanced the process to follow up on outstanding audit recommendations and assessment of management action plan implementations, and reported findings to the Departmental Audit Committee and the Deputy Minister; and
- Continued the implementation of a quality assurance and improvement program to cover major aspects of the internal audit function, and successfully monitored the effectiveness and formalization of audit methodology. The Function successfully passed an external practice inspection in 2011.

35 The 2011-12 Actual Spending figure for Internal Services is higher than the 2011-12 Planned Spending figure, due to the fact that when the 2011-12 Report on Plans and Priorities was prepared the Department was not in a position to determine the full impact of the closing-out of the programs under the Economic Action Plan, i.e. how many FTEs would be required.

Evaluation:

During 2011-12, the Department:

- Strengthened the foundation for the evaluation function by developing standard operating procedures for conducting studies, including the development of a practice manual; and by improving the process for assessing the progress of management action plan implementation by adopting a new, more rigorous approach for following up on recommendations;
- Developed a revised Five-Year Evaluation Plan (2012-17) to guide evaluation work in the Department. The Plan is expected to be approved in the second quarter of 2012-13;
- Completed Infrastructure Canada's Second Annual Report on Performance Measurement;
- Continued to support performance measurement by helping develop performance measurement strategies; and
- Carried out two major evaluations: the evaluation of the Provincial-Territorial Infrastructure Base Fund is completed and is expected to be approved in the second quarter of 2012-13. The evaluation of Infrastructure Canada's Economic Action Plan (EAP) Initiatives, including the Infrastructure Stimulus Program, the Building Canada Fund Communities Component Top-Up and National Recreational Trails, is completed and is expected to be approved in the second quarter of 2012-13.

For additional information on Evaluation activities please refer to the Supplementary Information Tables on Infrastructure Canada's web-site at: http://www.infrastructure.gc.ca/pub/index-eng.html.

Corporate Planning and Risk Management:

During 2011-12, the Department:

- Ensured that the Corporate Risk Profile adequately reflected the risks associated with Economic Action Plan initiatives, and that progress in implementing mitigation measures re-assessing risk placement were reported to the Departmental Management Committee (DMC); and
- Initiated a new integrated corporate planning cycle, including risk management, strategic priority setting and budget alignment, as well as a new streamlined business planning and reporting process.

Communications:

During 2011-12, the Department:

- Continued to tell Canadians and stakeholders the story of federal infrastructure investments, activities and results, nationally and locally. Specifically, the Department:
  - Launched the process to work with stakeholders to develop a new Long-Term Infrastructure Plan;
  - Completed more than 260 media announcements;
  - Responded to 137 enquiries from the media and 1,203 from the public;
  - Created a new infrastructure.gc.ca website with easy-to-find information about Infrastructure Canada's programs and projects;
  - Published close to 100 new stories about projects across Canada on its Internet site at www.infrastructure.gc.ca and in various reports; and
  - Promoted Infrastructure Canada programs to about 8,000 delegates through information booths at five major conferences.

Access to Information:

During 2011-12, the Department:

- Delivered an increasing level of *Access to Information and Privacy Act* (ATIP) services. Specifically, the Department:
  - Received 58 percent more requests and processed 55 percent more requests as compared to the previous year;
  - Responded to 80 percent of requests within statutory time limits as prescribed by the Act, despite the significant increase in volume;
  - Completed ATIP awareness sessions throughout the Department;
  - Increased internal capacity by hiring two full-time indeterminate positions; and
  - Submitted annual statistical reports, reports to Parliament prior to tabling deadlines, and updates to the Department's Info Source descriptions.

Information Management (IM) and Information Technology (IT):

During 2011-12, the Department:

- Continued the development and support of information technology and services, including refining the Shared Information Management System for Infrastructure (SIMSI) database. Specifically, this technology:
  - Supported the effective close-out of the Infrastructure Stimulus Fund;
  - Contributed to more efficient project monitoring under the Building Canada Fund-Major Infrastructure Component; and
  - Facilitated budget adjustments for Building Canada Fund-Communities Component projects.
- Completed an initial analysis and planning for a streamlined Enterprise Data Warehouse to improve horizontal reporting and reduce operational costs;
- Continued the development of an electronic documents and records management system (EDRMS) for Infrastructure Canada to ensure alignment with the Government of Canada's common GCDocs-based EDRMS initiative; and
- Supported the streamlining of website content, to ensure the website was compliant with new accessibility standards.

Financial Management:

During 2011-12, the Department:

- Enhanced the timeliness and functionality of internal financial reporting systems by:
  - Increasing the automation of monthly corporate financial reports;
  - Expanding the use of the Department's Financial Planning and Analysis Application system for tracking and reporting on financial commitments at the program and project levels; and
  - Implementing a new Salary Resource Management System database for planning and forecasting the Department's salary requirements.
- Provided secretariat support and advice to the Project Review Panel for the review of infrastructure projects;
- Developed and implemented new and enhanced controls and service levels for accounting operations and external financial reporting functions, including production of quarterly financial reports;
- Strengthened overall internal financial management capacity through training, staffing vacant positions, and implementing new internal controls; and
- Continued to improve overall administration by reviewing and revising its general administrative controls and procedures.

People Management:

During 2011-12, the Department:

- Delivered on its Integrated Business and Human Resources Plan (IBHRP) and people management strategies to support a flexible and adaptable workforce, employee development and growth, and employee engagement;
- Continued to promote and foster a positive, healthy and inclusive workplace by providing employees with learning opportunities and recognition for their accomplishments;
- Ensured that recruitment reflected Canada's diversity, by clearly identifying the need for diversity in recruitment efforts, and identifying employment equity as an organizational requirement for appointment processes;
- Ensured the Department's culture continued to embrace diversity and a bilingual work environment by investing in language training for employees, and actively encouraging all employees to work in the language of their choice and to act as role models for each other;
- Developed, implemented and communicated a departmental Code of Conduct to support Values and Ethics initiatives and guide employees in maintaining and enhancing public confidence in the integrity of the public service;
- Continued to implement Infrastructure Canada's Learning Strategy, which is designed to promote a strong learning culture, better coordinate and communicate activities and resources, and provide targeted, relevant and innovative learning opportunities; and
- Supported Public Service Renewal and improved People Management.

2.6 Impacts on Financial and Human Resources Resulting from the Establishment of Shared Services Canada

The following are tables on Financial and Human Resources data that show the resources that were transferred to Shared Services Canada (SSC) and the expenditures incurred on behalf of SSC.

2011-12 Financial Resources (in $ millions)

	Planned Spending	Total Authorities*
Net transfer post Orders in Council (OIC)** to Shared Services Canada (SSC)	Not Applicable	1.6

* Pursuant to section 31.1 of the *Financial Administration Act* and Orders in Council P.C. 2011-0881, P.C. 2011-0877 and P.C. 2011-1297, this amount was deemed to have been appropriated to SSC, which resulted in a reduction in the appropriation for Infrastructure Canada.

** Total authorities, as presented in the "2011–12 Financial Resources" table (and other relevant tables) in the "Summary of Performance" section, is the net of any transfers to SSC. Actual spending does not include expenditures incurred on behalf of SSC as of the OIC date.

2011-12 Human Resources (FTEs)

	Planned	Actual
Deemed to SSC	Not Applicable	Not Applicable

Section III: Supplementary Information

3.1 Financial Highlights

Condensed Statement of Financial Position (Unaudited) As at March 31, 2012 (in $ thousands)			
	% Change	**2011-12**	**2010-11**
Total net liabilities	-61%	696,796	1,783,698
Total net financial assets	-59%	723,818	1,774,243
Departmental net debt	-386%	27,022	9,455
Total non-financial assets	-52%	5,168	10,877
Departmental net financial position	2164%	(32,190)	(1,422)

Condensed Statement of Operations and Departmental Net Financial Position (Unaudited) For the Year Ended March 31, 2012 (in $ thousands)			
	% Change	**2011-12**	**2010-11**
Total expenses	-28%	4,418,965	6,176,782
Total revenues	-100%	-	7
Net cost of operations before government funding and transfers	-28%	4,420,565	6,176,775
Departmental net financial position	2164%	(32,190)	(1,422)

The sources of revenue are proceeds from crown assets disposals, from other fees such as Access to Information and Privacy requests, and from other revenue such as rebates on departmental acquisition cards.

3.2 Financial Statements

Infrastructure Canada's financial statements can be found on the departmental website at: http://www.infrastructure.gc.ca/pub/fs-ef/fs-ef-2012-eng.html.

3.3 Supplementary Information Tables

3.3.1 List of Supplementary Information Tables

The following supplementary information tables are available electronically on Infrastructure Canada's website at: http://www.infrastructure.gc.ca/pub/index-eng.html.

- Details of Transfer Payment Programs
- Horizontal Initiatives
- Greening Government Operations
- Response to Parliamentary Committees and External Audits
- Internal Audits and Evaluations

Section IV: Other Items of Interest

4.1 Organizational Contact Information

For more information about the department, please visit www.infrastructure.gc.ca or contact:

Infrastructure Canada
180 Kent Street, Suite 1100
Ottawa, Ontario
K1P 0B6

National information line on infrastructure: 613-948-1148

Telephone toll free: 1-877-250-7154